

**UNITED HEALTHCARE OF THE MIDLANDS, INC.**

**2717 North 118<sup>th</sup> Circle**

**Omaha, Nebraska 68164**

**Report of Examination**

**as of**

**December 31, 2009**

**States Participating:**

**Nebraska**

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

JUN 07 2011

**FILED**

## TABLE OF CONTENTS

	<u>Page</u>
Salutation .....	1
Introduction.....	2
Scope of Examination.....	2
Description of Company:	
History .....	3
Management and Control .....	4
Holding Company .....	4
Shareholder .....	4
Board of Directors.....	5
Officers .....	5
Committees .....	6
Transactions with Affiliates .....	6
Territory and Plan of Operation .....	9
Provider Agreements .....	11
Body of Report:	
Growth.....	12
Financial Statements.....	12
Examination Changes In Financial Statements .....	15
Compliance with Previous Recommendations.....	15
Commentary on Current Examination Findings .....	15
Summary of Recommendations.....	16
Acknowledgement .....	17
Addendum.....	18

Omaha, Nebraska  
May 20, 2011

Honorable Joseph Torti, III  
Chair, Financial Condition (E) Committee, NAIC  
Superintendent of Insurance & Banking  
Rhode Island Division of Insurance  
1511 Pontiac Avenue, Bldg. #69-2  
Cranston, RI 02920

Honorable Merle D. Scheiber  
Chair, Midwestern Zone  
Director of Insurance  
South Dakota Division of Insurance  
445 East Capitol Avenue  
Pierre, SD 57501-3185

Honorable Bruce R. Ramage  
Director of Insurance  
Nebraska Department of Insurance  
941 "O" Street, Suite 400  
Lincoln, NE 68508

Sirs:

Pursuant to your instructions and authorizations, and in accordance with statutory requirements, an Examination has been conducted of the financial condition and business affairs of

**United Healthcare of the Midlands, Inc.  
2717 North 118<sup>th</sup> Circle  
Omaha, Nebraska 68164**

and the report of such examination is respectfully presented herein.

## **INTRODUCTION**

UnitedHealthcare of the Midlands, Inc., hereafter referred to as the Company, was last examined as of December 31, 2006, by examiners from the State of Nebraska. The current financial condition examination covered the intervening period to the close of business on December 31, 2009 and included such subsequent transactions as were considered pertinent. Examiners from the State of Nebraska participated in this examination and assisted in the preparation of this report.

## **SCOPE OF EXAMINATION**

The examination was conducted our examination pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook and Section 44-5904(1) of the Nebraska Insurance Statutes. The Handbook requires that examiners plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles and Annual Statement Instructions when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This included a review of workpapers prepared by Deloitte & Touche LLP, the Company's external auditors, during their audit of the Company's accounts for

the years ended December 31, 2008 and 2009. In addition, workpapers prepared by Ernst & Young, relating to the organization's control environment for compliance with Sarbanes-Oxley were reviewed. Both Deloitte and Touche and Ernst and Young workpapers have been incorporated into the workpapers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination. This utilization was performed pursuant to Chapter 56, Section 013 – Rules of the Nebraska Department of Insurance.

## **DESCRIPTION OF COMPANY**

### **History**

The Company was incorporated as a for-profit corporation on April 16, 1984 under the name of Share Health Plan of Nebraska, Inc. The Articles of Incorporation provided that the primary purpose is to operate as a health maintenance organization providing comprehensive health care to enrollees through contractual arrangements with health care providers and that it shall have perpetual existence.

At the commencement of business, the Company was a wholly owned subsidiary of Share Development Corporation, a wholly owned subsidiary of United Healthcare Corporation. During September of 1986, a 49% minority interest in the Company was sold to Lincoln National Administrative Services Corporation, a subsidiary of Lincoln National Corporation. This 49% interest was repurchased by Share Development Corporation on September 30, 1988. Also in 1988, the Company purchased the member contracts of the 7,000-member Omaha health maintenance organization, Maxicare/HealthAmerica, from Maxicare Health Plans, Inc. of Los Angeles, California. As of December 31, 1991, Share Development Corporation was merged with and into UHC Management Company, Inc., a wholly owned subsidiary of United

HealthCare Corporation, with UHC Management Company, Inc. emerging as the surviving entity.

Effective September 2, 1994, the Company changed its name to United HealthCare of the Midlands, Inc. The Company's parent, UHC Management Company, Inc., changed its name to United HealthCare Services, Inc. (UHS) effective March 1, 1996.

Effective June 30, 2000, ownership of the Company transferred to UnitedHealthcare, Inc., an intermediate holding company, organized to own all HMOs within the UnitedHealth Group Incorporated organization. Management and operations of the Company remained unchanged.

## **Management and Control**

### **Holding Company**

The Company is a member of an insurance holding company system as defined by Nebraska Statutes. Attached as an addendum is the organization chart flowing from the "Ultimate Controlling Person" as reported in the Annual Statement.

### **Shareholder**

The Company's Articles of Incorporation provide that, "the total authorized number of shares of this Corporation shall be One Hundred Thousand (100,000) Common Shares of the par value of One dollar (\$1.00) per share." At the 2009 year end, Company records indicate that all of its issued and outstanding shares of capital stock, being 100,000 shares of common stock, were owned and held by UnitedHealthcare, Inc.

During the period under review, capital paid up remained at \$100,000 and paid in surplus remained at \$1,100,000. The Company paid cash dividends during the examination period of \$5,441,000 on July 30, 2008 and \$1,989,000 on November 4, 2008.

## **Board of Directors**

The By-Laws provide that the property, funds, affairs and business of the corporation shall be managed by a Board of Directors numbering at least three (3) members; also, that the Directors shall be divided into two classes, Consumer Directors and Non-consumer Directors, of which at least one-third (1/3) shall be Consumer Directors elected for a term of three years.

Members of the Company's Board of Directors at December 31, 2009 were as follows:

<b><u>Name and Residence</u></b>	<b><u>Principal Occupation</u></b>
Chris Allan Scherer Monroe, Michigan	Chairman, President, and Chief Executive Officer, UnitedHealthcare of the Midlands, Inc.
Lowell William Gratopp* Omaha, NE	Retired Owner and President of Master Images, Inc.
William Cooke Tracy Leawood, Kansas	Chief Executive Officer, UnitedHealthcare of the Heartland States, Inc.

\*= Consumer Director

Consumer Directors must be enrollees in the HMO, not providers, not associated with a provider, and do not have an ownership or financial interest in or are employed by or will gain any financial rewards from direct dealings with the HMO or an affiliated institution or organization. All adult enrollees of the HMO have the opportunity to nominate persons for Consumer Director.

## **Officers**

The By-Laws state that Officers of the Company, "shall be a President, a Vice President, a Secretary and a Treasurer or a Secretary/Treasurer. The Board of Directors may elect (1) or more additional Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of

Directors may deem necessary. In addition, a Chairman and Vice Chairman of the Board of Directors may be elected from the members of the Board of Directors.”

Officers elected and serving the Company at December 31, 2009, were as follows:

<b><u>Name</u></b>	<b><u>Office</u></b>
Chris Allan Scherer	Chairman, President, and Chief Executive Officer
Scott Spencer Schumann	Chief Financial Officer
Robert Worth Oberrender	Treasurer
Christina Regina Palma-Krizak	Secretary
Juanita Valarae Bolland Luis	Assistant Secretary
Nyle Brent Cottington	Vice President, Regulatory Controller, Assistant Treasurer
Timothy Gilbert Caron	Assistant Secretary
Michelle Marie Huntley Dill	Assistant Secretary

### **Committees**

Article III of the By-Laws provides that the Board of Directors shall create a Complaint Review Committee, which shall be a standing committee consisting of a Consumer Director and two other Directors. The Board may also designate an Executive Committee, from their own number, and such other committees as may be deemed necessary. The Company’s Board of Directors has not designated additional committees, as allowed by the Company’s By-Laws. United Healthcare Group Inc.’s Board of Directors have established group level committees, organized by product line or region, which have been given duties related to the Company.

### **Transactions With Affiliates**

The following agreements reported in the prior examination report were still in force during the current examination period:

1. A Management Agreement between the Company and United HealthCare Services, Inc. has been in effect since January 1, 2001, as amended, and is to continue until terminated.

Under this agreement, various management and administrative services are provided to the Company, subject to the policies established by the Board of Directors.

2. The Company entered into a \$4 million subordinated revolving credit agreement with UnitedHealth Group Incorporated at an interest rate of LIBOR plus a margin of 0.5% beginning on December 1, 1999, and renewed December 31, 2009. The credit agreement is for a one-year term and automatically renews annually. No amounts were outstanding during the examination period.

3. An agreement effective January 1, 1994, with United Resource Networks, a division of United HealthCare Services, Inc., which is solely responsible for initiating, negotiating, writing, holding and administrating participation agreements with the Company's participating providers for transplant-related health care services to persons enrolled in the Company's prepaid health care plans.

4. The Company has an agreement effective January 1, 1994, as amended, with United Behavioral Health (UBH). Under this agreement UBH, is to provide and/or arrange for the provision of certain mental health and substance abuse services to individuals covered by benefit plans as defined in the agreement.

5. Optum, a division of United HealthCare Services, Inc., provides services to enrollees and their dependents, who are covered under Medicare and Medicaid Plans. Effective November 1, 1999, the amended Optum Services Agreement provides 24 hour telephone service including but not limited to: problem assessment, crisis and/or stress management, health and well being information services, and nurseline general health or identification of specific health-related concerns.

6. The Company entered into a contract with ACN Group, Inc. to provide chiropractic and physical therapy services for its enrollees. The contract became effective on October 1, 2001.

7. Effective January 1, 1990, the Company entered into an Intercompany Federal Income Tax Sharing Agreement with UnitedHealth Group Incorporated (Ultimate Parent) whereby the parties join in filing a consolidated federal tax return as members of an “affiliated group.” The Ultimate Parent coordinates the tax planning for the group, accumulates the information, prepares and files the required consolidated tax return and pays the taxes due or collects refunds from the IRS. Payment by a subsidiary to the Ultimate Parent is equal to its separate tax liability attributable to its net taxable income. This agreement establishes the method for reimbursing the Ultimate Parent for payment of such tax liability; for computation of any consolidated adjustments; for treatment of participant losses; and to provide for the allocation and payment of any refund or liability arising from a carry back.

8. Effective January 1, 2004, Dental Benefit Providers (DBP) provides dental care and assistance for the Company’s enrollees. This agreement automatically renews annually until terminated by either party.

9. Effective January 1, 2005, the Company entered into an insolvency-only agreement with United HealthCare Insurance Company (UHC) to provide insolvency protection for its enrollees. This agreement does not relieve the Company from its obligations to policyholders.

The following agreements have been entered into since the last previous examination:

1. The Company contracts with Rx Solutions to provide administrative services related to pharmacy management and claims processing for enrollees. Additionally, Rx Solutions collects

rebates on certain pharmaceutical products based on member utilization. This contract became effective May 1, 2008.

2. The Company has an agreement with Health Allies Inc. a wholly owned subsidiary of UHS to provide access to preferred pricing on health and health related products and services. Fees are based on a capitated rate per month per person. This agreement became effective January 1, 2009.

### **Territory and Plan of Operation**

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact the business of a Health Maintenance Organization in the following jurisdictions at December 31, 2009:

In Iowa, the Company operates in the following counties:

Adair	Fayette	Marion
Adams	Fremont	Marshall
Appanoose	Floyd	Mills
Audubon	Franklin	Mitchell
Benton	Greene	Monona
Black Hawk	Grundy	Monroe
Boone	Guthrie	Montgomery
Bremer	Hamilton	Muscatine
Buchanan	Hancock	Page
Butler	Hardin	Polk
Carroll	Harrison	Pottawattamie
Cass	Howard	Poweshiek
Cedar	Iowa	Scott
Cerro Gordo	Jackson	Shelby
Chickasaw	Jasper	Story
Clarke	Jefferson	Tama
Clayton	Johnson	Union
Clinton	Jones	Wapello
Crawford	Keokuk	Warren
Davis	Kossuth	Wayne
Dallas	Linn	Winnebago
Decatur	Lucas	Woodbury
Delaware	Madison	Worth

Dubuque

Mahaska

Wright

The Company currently operates in the following Nebraska counties:

Antelope

Fillmore

Pawnee

Buffalo

Gage

Pierce

Burt

Jefferson

Polk

Butler

Johnson

Richardson

Cass

Knox

Saline

Colfax

Lancaster

Sarpy

Dakota

Madison

Saunders

Dixon

Nance

Seward

Dodge

Nemaha

Thayer

Douglas

Nuckolls

Washington

Franklin

Otoe

The Company accepts contractual responsibility for the delivery of a stated range of health care services to its enrollees for a predetermined pre-paid fee that does not vary with the nature or extent of service provided to any particular enrollee during the covered period. This health delivery system consists of a commercial “Plan” offered primarily to employers. Under this Plan, Members are offered health care coverage through an organized network of physicians, hospitals and independent professional associations. This Plan is made available with two alternative choices to the Members. One limits the Member to selecting a Primary Care Physician who will coordinate any referrals to Specialists as needed. The other allows the Members to select both their Primary Care Physician and Specialist within this network. The Company also contracts at full risk with the Center for Medicare and Medicaid Services (CMS) to provide benefits for Medicare beneficiaries who select the Company’s health delivery system. In addition, the Company has a Medicaid contract through the state of Nebraska.

Various management/administrative services are provided to the Company under the Management Agreement with United HealthCare Services, Inc. Direct marketing in the greater Omaha area, including Iowa, and continued servicing of the subscribers and accounts is provided by an Omaha office staff consisting of 33 sales, account management, clinical and network staff

and 23 other individuals handling subscriber support services. Two satellite offices, one in Lincoln, Nebraska consisting of 4 personnel, and one in Des Moines, Iowa consisting of 20 personnel, serve their respective networks and handle sales and marketing in the other areas of Nebraska and Iowa. All personnel are employees of United HealthCare Services, Inc.

This health delivery system is responsible for managing the health care of its approximately 44,836 Members. Members are provided services by over 6,807 providers, (i.e., physicians, & hospitals), under contract with the Company. The Company also contracts with a significant number of pharmacies for services to its Members.

### **Provider Agreements**

The Company has secured the use of health providers for its enrollees primarily through agreements with affiliated companies. These agreements are commented on under the caption “Transactions with Affiliates.” Although most of the Provider contractual arrangements are between the Provider and a Company affiliate, the Provider agreement defines “Payor” as the entity or person authorized by the affiliate to access the affiliate’s network of Participating Providers. It also specifies that obligation for payment of health services rendered to a Member is solely that of Payor. The types of Provider agreements currently utilized are the same as reported in prior examination reports.

## **BODY OF REPORT**

### **Growth**

The following comparative data reflects the growth of the Company during the three-year period under review:

	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
Total admitted assets	\$ 51,159,344	\$ 53,690,685	\$ 45,134,288
Total liabilities	28,291,197	34,231,948	21,142,062
Capital & surplus	22,868,147	19,458,737	23,992,226
Total revenue	174,313,006	162,864,513	143,365,542
Hospital/medical benefits	131,331,450	125,810,691	113,452,319
General administrative expenses	18,875,012	17,723,453	16,318,630
Net income before taxes	11,988,261	7,623,526	6,238,304
Federal income taxes	4,548,000	2,524,000	1,584,149
Net income (loss)	7,440,261	5,099,526	4,654,155
Membership	44,726	44,498	44,836

### **Financial Statements**

The following statement of admitted assets and liabilities, together with the accompanying statement of revenue, reflect the financial condition of the Company as of December 31, 2009, and its transactions for the year 2009, as determined through this examination. A reconciliation of the surplus account for the three-year period under review is also included.

**FINANCIAL STATEMENT**  
**December 31, 2009**

<b><u>Assets</u></b>	<b><u>Assets</u></b>	<b><u>Assets Not Admitted</u></b>	<b><u>Net Admitted Assets</u></b>
Bonds	\$28,909,864		\$28,909,864
Cash and short-term investments	<u>7,520,694</u>		<u>7,520,694</u>
Subtotal, cash and invested assets	\$36,430,558		\$36,430,558
Investment income due and accrued	349,330		349,330
Uncollected premiums	6,013,657		6,013,657
Amounts receivable relating to uninsured plans	417,801		417,801
Federal income tax recoverable	169,244		169,244
Net deferred tax asset	305,624	\$ 42,384	263,240
Receivables from parents, subsidiaries and affiliates	468,905		468,905
Health care receivable	1,095,727	412,464	683,263
Prepaid expenses	45,444	45,444	
Premium tax receivable	245,461		245,461
State income tax receivable	92,829		92,829
 Total assets	 <u>\$45,634,580</u>	 <u>\$500,292</u>	 <u>\$45,134,288</u>
 <b><u>Liabilities:</u></b>			
Claims unpaid			\$19,712,250
Accrued medical incentive pool and bonus amounts			13,519
Unpaid claims adjustment expenses			407,215
Aggregate health policy reserves			51,273
Aggregate health claim reserves			502,759
Premiums received in advance			429
General expenses due or accrued			403,156
Ceded reinsurance premiums payable			46,121
Remittances and items not allocated			189
Unclaimed property			<u>5,151</u>
 Total liabilities			 <u>\$21,142,062</u>
 <b><u>Capital &amp; Surplus:</u></b>			
Common capital stock			\$ 100,000
Gross paid in and contributed surplus			1,100,000
Unassigned funds (surplus)			<u>22,792,226</u>
 Total capital and surplus			 <u>\$23,992,226</u>
 Total liabilities, capital and surplus			 <u>\$45,134,288</u>

**Statement of Revenues and Expenses - 2009**

Underwriting revenues:	
Net premium income	\$143,568,511
Change in unearned premium reserves and reserve for rate credits	<u>(202,969)</u>
Total underwriting revenues	<u>\$143,365,542</u>
Hospital and medical:	
Hospital/medical benefits	\$113,452,319
Other professional services	1,075,678
Prescription drugs	4,948,774
Incentive pool, withhold adjustments and bonus amounts	<u>2,923</u>
Total hospital and medical	<u>\$119,479,694</u>
Claims adjustment expenses	2,571,716
General administrative expenses	<u>16,318,630</u>
Total underwriting deductions	<u>\$138,370,040</u>
Net underwriting gain (loss)	<u>\$ 4,995,502</u>
Investments:	
Net investment income earned	\$ 1,430,814
Net realized capital gains (losses)	<u>(187,225)</u>
Net investment gains (losses)	<u>\$ 1,243,589</u>
Fines and penalties	<u>\$ (787)</u>
Net income or (loss) before federal income taxes	\$ 6,238,304
Federal income taxes incurred	<u>1,584,149</u>
Net Income (loss)	<u>\$ 4,654,155</u>

## **CAPITAL AND SURPLUS RECONCILIATION**

	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
Capital and surplus, beginning of year	\$15,705,490	\$22,868,147	\$19,458,737
Net income	\$ 7,440,261	\$ 5,099,526	\$ 4,654,155
Change in unrealized gains and (losses) less capital gains tax	0	(310)	310
Change in net deferred income tax	539,217	(87,083)	(641,039)
Change in nonadmitted assets	(139,639)	106,112	284,923
Dividends to stockholders	0	(7,430,000)	0
Correction of errors	<u>(677,182)</u>	<u>(1,097,655)</u>	<u>235,140</u>
Net change in capital and surplus	<u>\$ 7,162,657</u>	<u>\$ (3,409,410)</u>	<u>\$ 4,533,489</u>
Capital and surplus, end of year	<u>\$22,868,147</u>	<u>\$19,458,737</u>	<u>\$23,992,226</u>

### **Examination Changes in Financial Statements**

Unassigned funds (surplus) in the amount of \$23,992,226, as reported in the Company's 2009 Annual Statement, has been accepted for purposes of this examination.

### **Compliance With Previous Examination Recommendations**

The were no findings warranting comment as a result of the previous examination

### **Commentary On Current Examination Findings**

**Safekeeping Agreement:** Review of the Company's Safekeeping Agreement revealed some areas of non-compliance with Nebraska Regulation Title 210, Chapter 81. It is recommended that the Company amend the safekeeping agreement to comply with the provisions of Title 210, Chapter 81. The following requirements of Title 210, Chapter 81 were not noted in the Company's safekeeping agreement with State Street as amended September 1999:

- a. (003.02(g)) The custodian and its agents shall be required to send to the insurance company: All reports which they receive from a clearing corporation on their respective systems of internal accounting control, and Reports prepared by outside auditors on the custodians or its agent's internal accounting control of custodied securities that the insurance company may reasonably request.

- b. (003.02(i)) The custodian shall provide, upon written request from an appropriate officer of the insurance company, the appropriate affidavits, substantially in the form attached to this regulation, with respect to custodied securities.
- c. (003.02(j)) A national bank, state bank or trust company shall secure and maintain Insurance protection in an adequate amount covering the bank's or trust company's duties and activities as custodian for the insurer's assets, and shall state in the custody agreement that protection is in compliance with the requirements of the custodian's banking regulator. A broker/dealer shall secure and maintain insurance protection for each insurance company's custodied securities in excess of that provided by the Securities Investor Protection Corporation in an amount equal to or greater than the market value of each respective insurance company's custodied securities. The director may determine whether the type of insurance is appropriate and the amount of coverage is adequate.
- d. (003.02(m)) The agreement may provide that the custodian will not be liable for a failure to take an action required under the agreement in the event and to the extent that the taking of the action is prevented or delayed by war (whether declared or not and including existing wars), revolution, insurrection, riot, civil commotion, act of God, accident, fire, explosion, stoppage of labor, strikes or other differences with employees, laws, regulations, orders or other acts of any governmental authority, or any other cause whatever beyond its reasonable control.
- e. (003.02(o)) The custodian shall provide written notification to the insurer's domiciliary commissioner if the custodial agreement with the insurer has been terminated or if 100% of the account assets in any one custody account have been withdrawn. This notification shall be remitted to the insurance commissioner within three (3) business days of receipt by the custodian of the insurer's written notice of termination or within three (3) business days of the withdrawal of 100% of the account assets.

### **SUMMARY OF RECOMMENDATIONS**

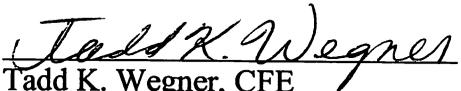
It is recommended that the Company amend its safekeeping agreement to conform to the provisions of Nebraska Regulation Title 210, Chapter 81.

## ACKNOWLEDGMENT

We appreciate the cooperation and assistance extended by the officers and staff of the Company during the course of the examination.

In addition to the undersigned, Jeanne Daharsh, FSA, Actuarial Examiner, Gary Evans, CFE, Information Systems Specialist; Skyler Lawyer, CFE, Financial Examiner, all with the Nebraska Department of Insurance, participated in this examination and assisted in the preparation of this report.

Respectfully submitted,

  
Tadd K. Wegner, CFE  
Supervisory Examiner  
Nebraska Department of Insurance

**Addendum**  
**Organizational Chart**

UnitedHealth Group Incorporated

    AmeriChoice Corporation

        AmeriChoice of New Jersey, Inc.

        AmeriChoice of New York, Inc.

        AmeriChoice of Connecticut, Inc.

        AmeriChoice of Georgia, Inc.

        Great Lakes Health Plan, Inc.

        AmeriChoice of Pennsylvania, Inc.

        Information Network Corporation

        AmeriChoice Health Services, Inc.

        Three Rivers Holdings, Inc.

            Unison Health Plan of South Carolina, Inc.

            Unison Health Plan of Tennessee, Inc.

            Unison Health Plan of New Jersey, Inc.

            Unison Health Plan of Delaware, Inc.

            Unison Health Plan of the Capital Area, Inc

            Unison Health Holdings of Ohio, Inc.

                Unison Health Plan of Ohio, Inc.

            Unison Health Plan of Pennsylvania, Inc.

                Unison Family Health Plan of Pennsylvania, Inc.

            Unison Administrative Services, LLC

Mid Atlantic Medical Services, LLC

    Optimum Choice, Inc.

    HomeCall Pharmaceutical Services, Inc.

    MAMSI Life and Health Insurance Company

    MLH Life Trust

    Physicians Health Plan of Maryland, Inc.

    MD – Individual Practice Association, Inc.

Oxford Health Plans, LLC

    Oxford Benefit Management, Inc.

    Oxford Health Plans (NJ), Inc.

    Oxford Health Plans (CT), Inc.

    Oxford Health Plans (NY), Inc.

        Oxford Health Insurance, Inc.

    Health Net of Connecticut, Inc.

    Health Net of New York, Inc.

    Health Net Insurance of New York, Inc.

    Health Net Services (Bermuda) Ltd.

    FOHP, Inc.

        Health Net of New Jersey, Inc.

Golden Rule Financial Corporation

    American Medical Security Life Insurance Company

## Organizational Chart (continued)

- United Health One Agency, Inc.
- Golden Rule Insurance Company
- All Savers Insurance Company
- All Savers Life Insurance Company of California
- PacifiCare Health Systems, LLC
- Union Health Solutions, Inc.
- PacifiCare Behavioral Health, Inc.
  - PacifiCare Behavioral Health of California, Inc.
- Rx Solutions, Inc.
  - Rx Solutions NY IPA, Inc.
  - PacifiCare Behavioral Health NY IPA, Inc
- PacifiCare Health Plan Administrators, Inc.
  - PacifiCare of Arizona, Inc
  - PacifiCare of California
  - PacifiCare of Colorado, Inc.
  - PacifiCare of Nevada, Inc.
  - PacifiCare of Texas, Inc.
  - PacifiCare of Oklahoma, Inc.
  - PacifiCare of Oregon, Inc.
  - PacifiCare of Texas, Inc.
  - PacifiCare of Washington, Inc.
  - PacifiCare Life and Health Insurance Company (99% owned)
  - PacifiCare Life Assurance Company
  - PacifiCare Dental of Colorado, Inc.
  - PacifiCare International Limited
  - FHP Reinsurance Limited
- United Health Foundation.
- UnitedHealth Group International (70.56% Owned)
  - UnitedHealth Group Information Services Private Limited (99.37% Owned)
  - United HealthCare International Mauritius Limited
  - UnitedHealthcare India (Private) Limited (99.9952% Owned)
- UnitedHealthcare International Asia, LLC
  - UnitedHealthcare Asia Limited (99% Owned)
- H&W Indemnity, Ltd.
- UHC International Services, Inc.
- UnitedHealth International, Inc.
  - Hygeia Corporation
    - Hygeia Corporation (Ontario)
- United HealthCare Services, Inc.
  - Dental Benefit Providers, Inc.
    - Dental Benefit Providers of California, Inc.
    - Dental Benefit Providers of Illinois, Inc.
    - DBP Services of New York IPA, Inc.
  - OptumHelath Financial Services, Inc.

## **Organizational Chart (continued)**

OptumHealth Bank, Inc.  
Administration Resources Corporation  
OptumHealth Investment Advisors, Inc.

ACN Group, Inc.  
Managed Physical Network, Inc.  
ACN Group IPA of New York, Inc.  
ACN Group of California, Inc.

United Behavioral Health  
US Behavior Health Plan, California  
Behavioral Health Administrators  
United Behavioral Health of New York, IPA, Inc.  
PPC International II, LLC

OptumHealth International B.V.  
Personal Performance Consultants Indian Private Ltd (99.9 owned)

PPC International , LLC  
PPC Worldwide Canada EAP Services Ltd.  
PPC Management Consulting Co. Ltd.  
Personal Performance Consultants UK Limited  
Focus EAP Ltd.  
Corporate Support Ltd.  
PPC Worldwide Management Pty. Ltd.  
PPC Worldwide Pty. Ltd.  
PPC Worldwide Holdings Pty. Ltd.  
PPC Worldwide Unit Trust  
Occupational Services of Australia Pty. Ltd.  
Indrad Services Pty. Ltd.  
Indrad Unit Trust  
Conflict Management Solutions Pty. Ltd.  
Citipsych Management Solutions Pty. Ltd.  
Workcare Australia Pty. Ltd.

OptumHealth, Inc.  
EnvisionCare Alliance, Inc.  
Medical Network, Inc.  
United Resource Networks IPA of New York, Inc.  
Spectera, Inc.  
Spectera of New York, IPA, Inc.  
National Benefit Resources, Inc.  
DCG Resource Options, LLC  
Disability Consulting Group, LLC  
Distance Learning Network, Inc.  
Unimerica Insurance Company  
HealthAllies, Inc.  
Special Risk International, Inc.

**Organizational Chart (continued)**

- PacificDental Benefits, Inc.
  - Nevada Pacific Dental
  - National Pacific Dental, Inc.
- RIO Holdings, Inc.
  - Ingenix Holdings, LLC
    - Ingenix MergerCo, Inc.
  - OptumHealth Holdings, LLC.
    - OptumHealth Behavioral Solutions, Inc.
    - Optum Health Financial Services MergerCo, Inc.
    - OptumHealth Specialty Benefits, Inc.
    - OptumHealth Care Solutions, Inc.
  - Prescription Solutions Holdings, LLC
    - Prescription Solutions, Inc.
- UnitedHealthUK Limited
  - UnitedHealth Primary Care Limited
  - UnitedHealth Primary Care Plus Limited
- Ingenix UK Holdings, Limited
  - ScriptSwitch Holdings Limited
  - ScriptSwitch Limited
  - ScriptSwitch EBT Limited
- Ovations, Inc.
  - Evercare of Arizona, Inc.
  - Evercare of Texas, LLC.
  - Evercare Collaborative Solutions, Inc.
  - Evercare Hospice, Inc.
- UnitedHealth Military & Veterans Services, LLC
- UnitedHealth Advisors, LLC
- Passport Coast to Coast, LLC.
- Definity Health Corporation
- UnitedHealth, Capital, LLC
- UMR Care Management, LLP
- BP, Inc.
- Sheridan Re, Inc.
- Harrington Health, Services, Inc.
- ppoOne, Inc.
- UMR, Inc.
  - Commonwealth Administrators, LLC
  - Innoviant, Inc.
  - Innoviant Pharmacy, Inc.
- UHIC Holdings, Inc.
  - UnitedHealthcare Insurance Company
    - UnitedHealthcare Insurance Company of Illinois
    - UnitedHealthcare Insurance Company of New York

**Organizational Chart (continued)**

UnitedHealthcare Insurance Company of Ohio  
OneNet PPO, LLC  
    MAMSI Insurance Resources, LLC  
UnitedHealthcare Services LLC  
Duncan Printing Services, LLC  
Unimerica Life Insurance Company of New York  
Evercare of New Mexico  
UnitedHealthcare of New England, Inc.  
UnitedHealthcare of Ohio, Inc.  
UnitedHealthcare of Kentucky, Ltd.  
United Healthcare, Inc.  
    UnitedHealthCare of Alabama, Inc.  
    UnitedHealthCare of Arizona, Inc.  
        Arizona Physicians IPA, Inc.  
    UnitedHealthCare of Arkansas, Inc.  
    UnitedHealthCare of Colorado, Inc.  
    UnitedHealthCare of Florida, Inc.  
    UnitedHealthCare of Georgia, Inc.  
    UnitedHealthCare of Illinois, Inc.  
    UnitedHealthCare of Louisiana, Inc.  
    UnitedHealthCare of the Mid-Atlantic, Inc.  
    UnitedHealthCare of the Midlands, Inc.  
    UnitedHealthCare of the Midwest, Inc.  
    UnitedHealthCare of Mississippi, Inc.  
    UnitedHealthCare of North Carolina, Inc.  
    UnitedHealthCare of Tennessee, Inc.  
    UnitedHealthCare of Texas, Inc.  
    UnitedHealthCare of Utah , Inc.  
    UnitedHealthCare of Wisconsin, Inc.  
    United Healthcare Services Company of the River Valley, Inc.  
        United Healthcare Insurance Company of the River Valley  
        UnitedHealthcare Plan of the River Valley, Inc.  
Arnett Health Plans, Inc.  
    Arnett HMO, Inc.  
Midwest Security Life Insurance Company  
Midwest Security Care, Inc.  
Neighborhood Health Partnership, Inc.  
ProcessWorks, Inc.  
IBA Health and Life Assurance Company  
Southwest Michigan Health Network, Inc.  
Sierra Health Services Inc.  
    Sierra Health and Life Insurance Company, Inc.  
    Health Plan of Nevada, Inc.

**Organizational Chart (continued)**

Health Plan of Nevada, Inc., Lab Services  
Health Plan of Nevada, Inc., Mental Health  
Sierra Health-Care Options, Inc.  
Sierra Nevada Administrators, Inc.  
Behavioral Healthcare Options, Inc.  
Family Home Hospice, Inc.  
Prime Health, Inc.  
Sierra Home Medical Products, Inc.  
Sierra Military Health Services, LLC  
Northern Nevada Health Network, Inc.  
CII Financial, Inc.  
Family Health Care Services  
Southwest Medical Associates, Inc.  
Mohave Valley, Hospital, Inc.

**Ingenix, Inc.**

**Ingenix Pharmaceutical Services, Inc.**

**Ingenix Pharmaceutical Services AB**

i3 Poland sp z.o.o.

i3 Japan, LLC

i3 Korea, LLC

i3 Canada, Inc.

CanReg, Inc.

CanReg Limited

**Ingenix Pharmaceutical Services GmbH**

**Ingenix International Limited (99.9% owned)**

**Ingenix Canadian Partnership (99.9% owned)**

**i3 Research India Private Ltd. (95% owned)**

**Ingenix International Hungary, Ltd. (96.67% owned)**

**Ingenix International, s.r.o.**

**Ingenix International Oy**

**i3 Asia Pacific Pte. Ltd.**

**Worldwide Clinical Trials, SL**

**Clin Pharm International Limited**

**Ingenix Pharmaceutical Services Limited**

**Ingenix Pharmaceutical Services SL**

**Ingenix Pharmaceutical Services Pty Ltd**

**Ingenix International S.r.l. (99% owned)**

**Ingenix Pharmaceutical Services SARL**

**Ingenix International BV**

**i3Research d.o.o. Beograd**

**i3 Latin America Uruguay, S.R.L. (95% owned)**

**i3 LLC**

**Ingenix Pharma Serv. Mexico S.A. de C.V. (99.9%)**

**Organizational Chart (continued)**

Ingenix Pharma Serv. de Argentina S.R.L (95%)  
i3 Bulgaria EOOD  
i3 Latin America Argentina S.A. (95% owned)  
Ingenix Pharmaceutical Services, d.o.o.  
i Tres Latin America Costa Rica, S.A.  
i3 Latin America Peru, S.A. (99% owned)  
i3 Latin Amer. Brasil Serv. de Pesq clin.Ltda.(99%)  
EC Investigaciones del Sur Sociedad Anonima  
i3 Ingenix (99% owned)  
i3 Switzerland SARL  
i3 Latin America Chile S.A. (99.9% owned)  
Romania i3 Research Ingenix S.R.L. (99% owned)  
LLC i3 Ukraine (99% owned)

Aperture Credentialing, Inc.  
Healthia Consulting, Inc.  
    Healthia Exchange LLC

Integrus Inc.  
Global Works Systems, Inc.  
AIM Healthcare Services, Inc.  
    Ingram & Associates, LLC  
    Netwerkes, LLC

Ingenix Public Sector Solutions, Inc.  
    The Lewin Group, Inc.

RSB Holdings, Inc.  
    CareTracker Technologies, Inc.  
    LighthouseMD, Inc.

PsychCME, Inc.  
Electronic Network Systems, Inc.  
Red Oak E-Commerce, Inc.  
i3 Research Limited  
J.W. Hutton, Inc.  
    Innovative Cost Solutions, LLC

CareMedic Holdings, Inc.  
    CareMedic Systems, Inc.  
        Third Millenium Healthcare Systems, Inc.  
        Receivable Process Management, Inc.