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DEPARTMENT OF

**Professional &
Financial Regulation**

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF LICENSING AND REGISTRATION

**Maine Bureau of Insurance
Consumer Health Care Division
Annual Report to the Legislature for the Year 2009**

Summer 2010



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Governor

Mila Kofman
Superintendent

Anne L. Head
Commissioner

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2010 OCT 18 A 9:30

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I. Overview

This report is issued pursuant to Title 24-A M.R.S.A. §4321(4)(J) to detail the activities of the Consumer Health Care Division (CHCD) during 2009. The CHCD is one of several work units in the Maine Bureau of Insurance (Bureau), which is within the Department of Professional and Financial Regulation (DPFR). The CHCD focuses its efforts on consumer assistance, outreach, and oversight of insurer compliance with the Maine Insurance Code (Title 24-A) and Bureau regulations.

MAJOR CHANGES

Significant changes were initiated and implemented in 2009 after an extensive internal assessment requested by Superintendent Mila Kofman and conducted by Deputy Superintendent Tim Schott. The goal was to help identify ways to:

- improve services to consumers;
- eliminate real and perceived barriers that prevent consumers from asking the Bureau for assistance;
- gain a better understanding of why consumer inquiries and complaints have been declining;
- improve handling of consumer cases;
- institute an enforcement structure to ensure that potential violations of the law are fully investigated and violations are prosecuted and corrected; and
- improve public awareness for services provided by the Bureau.

As a result, the Bureau implemented a new complaint handling process. Staff received training on the new process and a revised complaint handling manual. A number of barriers were eliminated including Bureau policy that a consumer first sign a HIPAA waiver authorizing the Bureau's access to one's mental and medical records even when the consumer needed help with auto or home owners insurance. Prompt investigations and assistance are now provided and Bureau staff no longer waits for written information from the consumer. Instead, information is received by phone from a consumer, documented by Bureau staff, and then verified by the consumer. These changes impact both the life and health division, as well as the property and casualty division.

Additionally, a new enforcement process has been instituted. Deputy Superintendent Schott was assigned responsibility for ensuring that allegations of violations of Maine's insurance laws are properly investigated and to ensure full enforcement of Maine's laws through administrative actions or court actions as appropriate. Note that enforcement investigations are staffed primarily by two CHCD staff and two attorneys. These investigations require an extensive time commitment, which impacts CHCD's case load and response time outside of enforcement. No new staff members were added to total Bureau headcount. The additional legal staffing needed from the Attorney General's Office was provided by Attorney General Janet Mills. In 2009, the enforcement team had 35 enforcement investigation cases. These were either cases referred for enforcement by the CHCD, the property and casualty division, or the agent licensing division. Some were resolved with consent agreements or by order of the Superintendent after an

administrative hearing. Others continue to be investigated or are in the administrative hearing process.

In addition to the new enforcement structure, there is a new emphasis on improving the Bureau's ability to identify and investigate systemic violations of Maine's insurance laws. The Bureau's Market Conduct Unit, under the supervision of Deputy Superintendent Eric Cioppa, was restructured to focus not only on examination of workers compensation insurance but also on examination of all insurance lines under the Bureau's oversight. State insurance offices typically do not limit their market conduct examinations to one line of insurance. The new Market Conduct Unit received additional resources in 2009 from internal work units. No new positions were added to total Bureau staff for this. The Market Conduct Unit is in the early stages of developing a strategic work plan. The goal is to use limited resources to identify systemic violations and obtain corrective action affecting insured businesses and individuals. In other words, while individual enforcement actions may help one consumer, market conduct actions can help all insured with a particular company (in addition to helping a company reach voluntary compliance when inadvertently out of compliance).

OTHER CHANGES – Rate Reviews

The actuarial team in charge of life and health premium rate reviews, led by Senior Life and Health Actuary Rick Diamond, reports to the Superintendent. In the past, this unit reported to a Deputy Superintendent. In 2009, the life and health actuarial team reviewed 138 rate filings subject to approval, of which 128 were ultimately approved, although not all at the level initially proposed. The Superintendent held public hearings on two of these filings. The team also reviewed 137 informational rate filings and reviewed the rating portion of 76 combined form and rate filings.

A. Responsibilities and Staffing

CHCD is responsible for the following activities:

- Investigating and resolving consumer health, disability and life insurance complaints;
- Reviewing and approving health insurance forms (policy language);
- Licensing medical utilization review entities (UREs);
- Reviewing and approving long-term care insurance forms;
- Reviewing and approving disability and life insurance forms;
- Providing oversight of the Bureau's external review process;
- Drafting and reviewing health insurance regulations;
- Bringing enforcement actions against health insurance carriers and other licensed entities and individuals when insurance code violations occur;
- Reviewing managed care plans for compliance with provider network adequacy measures;
- Approving the licenses for preferred provider arrangements (PPAs);
- Approving the licenses of viatical and life settlement producers and providers;
- Developing outreach and educational materials;

- Drafting reports on issues involving health policy;
- Conducting the Quality Oversight of Health Maintenance Organizations (HMOs);
- Tracking and analyzing data;
- Responding to consumer inquiries received by telephone, e-mail or in-person;
- Analyzing consumer complaint data for trending purposes;
- Reviewing consumer complaints that include determinations of medically necessary care and complex health questions;
- Conducting educational outreach to Maine consumers;
- Providing information to consumers regarding health care plan options and obtaining health care coverage and services; and
- Assisting health, disability and life insurance consumers in understanding their rights.

At the end of 2009, CHCD had 12 staff members, including a Director, a Deputy Director, a full time Staff Attorney, a part-time Staff Attorney, a Nurse Consultant, three Senior Insurance Analysts, three Insurance Analysts and an Assistant Insurance Analyst. The 2009 staffing level is a reduction from 15 positions in 2005 and 2006, 14 in 2007 and 15 in 2008.

B. Consumer Assistance, Consumer Outreach and Licensing Activities

1. Consumer Assistance

One of the most important duties of the CHCD is to provide assistance and information to consumers. Staff responds to telephone inquiries by providing information to callers, referring callers to the Bureau's website (www.maine.gov/pfr/insurance), and mailing issue-related brochures. Staff also responds to written inquiries from consumers. For topics not within the Bureau's jurisdiction, consumers are referred to the appropriate agency. For example, consumers with questions about MaineCare are referred to the Maine Department of Health and Human Services, and consumers with questions about federal laws outside the Bureau's jurisdiction are referred to the appropriate federal agency.

In addition to inquiries, staff also receives and investigates written consumer complaints. Maine consumers may file a complaint by completing a CHCD complaint form, which authorizes staff to contact insurance company representatives and health care providers in order to investigate the dispute. Consumers can file complaints electronically on the Bureau's website. In recent years, the CHCD has seen an increase in the number of complaints filed electronically using the online complaint form.

When a complaint is received, a staff investigator is assigned to the case. The investigator directs the insurance carrier to respond to the consumer's allegations. The carrier's response and supporting documentation are reviewed by CHCD staff to determine if the processes used by the carrier comply with the terms of the insurance policy, as well as with Maine law and regulations. The complainant is kept informed of the progress of the investigation and at times may be requested to provide additional information. Complex issues related to health, life and disability insurance coverage require significant staff time to gather facts and correspond with relevant parties when resolving complaints.

Some complaints involve allegations that the insurance company has not properly handled a consumer's appeal of an adverse decision. Under Maine law, carriers are required to provide two levels of internal appeals to the consumer. In some cases, such as those involving a question of medical necessity, the consumer also has a right to an independent external review of the case following the two levels of internal appeals. The Bureau ensures that carriers provide consumers with their appropriate appeals rights. The carrier's appeals process is separate from the Bureau's complaint investigation, and consumers are advised that they can proceed with both an appeal and a complaint with the Bureau simultaneously.

The CHCD reviews each complaint to determine the proper jurisdiction for the complaint investigation. The Bureau sometimes receives complaints involving issues over which the Bureau of Insurance does not have jurisdiction. In such cases, the jurisdictional issue is explained, and the consumer is directed to the regulatory agency with jurisdiction to investigate and enforce.

In cases involving an urgent need for immediate assistance, CHCD staff can promptly intervene on behalf of the consumer to ensure that the carrier complies with its legal obligations. Examples include denial of a surgical procedure or needed inpatient stay. CHCD staff has been able to resolve many of these situations very quickly when it is evident that the carrier's denial is flawed or contrary to specific requirements in either the insurance policy or Maine law.

Generally, the CHCD achieves a good outcome for consumers. There are cases, however, in which the insurer has appropriately denied a claim for benefits. In those cases, the basis and rationale for the decision is explained to the consumer, who is informed that there was no violation of Maine law. There are also cases where the Bureau does not have jurisdiction due to federal preemption. Even in those situations, however, staff takes the opportunity to provide consumers with information regarding insurance law, their rights and responsibilities, and the terms of their coverage.

2. External Review

After exhausting the two level internal appeals process provided by their insurance plan, consumers have the right to request an external review for denials involving medical necessity, pre-existing conditions, experimental treatments and denials based on a dispute in diagnosis, care or treatment. External review appeals are coordinated by CHCD staff who assigns the appeal to an External Review Organization (ERO). To facilitate external reviews, the Bureau contracts with EROs having no affiliation with the insurance carrier involved in the appeal. During the external review, the ERO has an appropriate independent medical expert review the case. For example, in a case involving a mental health issue, a psychiatrist or other appropriate mental health professional experienced with the diagnosis in question would be assigned to the case. The external review process is paid for by the insurance carrier, not by the consumer. The decision of the external review is binding only on the carrier, and the consumer can seek private legal action as an additional remedy.

3. Outreach and Education

An ongoing priority of the CHCD is to educate Maine consumers about their rights under Maine's insurance laws and the services available to them through the Bureau of Insurance. This includes public speaking engagements and CHCD participation in many public forums and events throughout the year.

Public speaking and other public outreach events in which the CHCD participated in 2009 included:

- Maine Association of Agricultural Fairs;
- Kittery Retirement Community presentation;
- Regional presentations in Portland, Bangor, Presque Isle, Farmington and Madawaska;
- Maine Osteopathic Association presentation;
- "Taking Charge of Money Matters;"
- "Living with Cancer" Forum;
- Maine Potato Blossom Festival;
- Maine Medical Association's Annual Meeting;
- Consumers for Affordable Health Care – "Insurance 101";
- Spectrum Generations presentation;
- The Maine Office of Securities Conference on Wise and Safe Investing;
- Blaine House Conference on Elder Issues;
- Ellsworth Cancer Forum; and
- American Association of Healthcare Administrative Management meeting.

As part of its ongoing consumer education mission, CHCD produces and updates numerous brochures on a variety of topics, including purchasing health insurance and appealing adverse decisions by health insurance companies. CHCD brochures and other information, including answers to frequently asked questions, are also available to the public on the Bureau's website.

4. Significant Changes in 2009

CHCD has worked to educate consumers on their right to file a complaint with the Bureau and has worked to make the complaint process easier for consumers. The Bureau conducted an internal audit to identify ways to improve consumer services divisions. The Bureau revised the complaint handling process and updated both paper and online complaint forms. Staff received updated instructions on making the complaint process more user-friendly for consumers.

In addition to making the complaint process easier for consumers, the Bureau has placed an increased emphasis on investigating allegations of violations of Maine's insurance laws and in enforcement actions to ensure compliance with Maine law. The Market Conduct Unit was established in 2009 to improve the Bureau's ability to identify and investigate systemic

violations of Maine insurance law. Additionally, a new enforcement process was implemented to ensure compliance with Maine law, to hold violators accountable and to protect the insurance public more effectively.

5. Licensing Activity

a. Medical Utilization Review

“Medical Utilization Review” includes any program or practice by which a person, on behalf of an insurer, nonprofit service organization, third-party administrator or employer, seeks to review the utilization, clinical necessity, appropriateness or efficiency of health care services, procedures, providers or facilities. Medical Utilization Review (MUR) entities are required to be licensed in Maine if they intend to conduct utilization reviews for plans that provide coverage to Maine residents. MUR applicants are, at a minimum, required to provide to the Bureau a detailed description of the medical utilization review processes used for each review program offered by the applicant, including but not limited to:

- Second opinion programs;
- Hospital pre-admissions certification;
- Pre-inpatient service eligibility determinations;
- Determinations of appropriate length of stay; and
- Notification to consumers and providers of utilization review decisions.

Licensed medical utilization review entities (UREs) must certify compliance with Maine’s utilization review requirements. Licenses are issued based on the company’s representation of compliance with all applicable standards. Licenses must be renewed annually. A list of Maine licensed UREs can be found on the Bureau’s website at: www.maine.gov/insurance/producer/utilization_review.htm under the *Producer/Business Entity Information* link. Licensed companies can also be located by using the website’s “Find a licensee” feature. In 2009, three new UREs were licensed in Maine, bringing the total number of licensees to 70.

b. Preferred Provider Arrangements

The CHCD reviews and registers preferred provider arrangements (PPAs). A “preferred provider arrangement” is a contract, agreement or arrangement between an insurance carrier or plan administrator and a provider in which the provider agrees to provide services to a health plan enrollee whose plan benefits include incentives to use the services of that provider. Preferred provider arrangements are reviewed for compliance with Maine statutes regarding accessibility, utilization review, grievance and appeal procedures, provider compensation, consumer notification, and emergency access requirements. In 2009, 14 new arrangements applied for registration, with 13 meeting the registration requirements, bringing the total number of arrangements to 42. A list of Maine licensed preferred provider arrangements can be accessed at the Bureau’s home page under the *Producer/Entity Information* link.

c. Viatical Settlement Producers and Providers

The CHCD is responsible for licensing viatical and life settlement producers and providers. A viatical settlement occurs when a person with a terminal or chronic illness sells his or her life

insurance policy to a third party for a cash payment that is less than the full amount of the death benefit. If the seller is not terminally ill, the transaction is called a life settlement. In either case, the person selling the policy is the viator. The third party who purchases the policy is the settlement provider. A settlement producer represents the viator in seeking a settlement with a settlement provider. In 2009 three new viatical and life settlement providers were licensed in Maine, bringing the total number to 20.

d. Managed Care Provider Networks

The CHCD staff reviews managed care provider networks to determine if they comply with the accessibility standards of Maine law. Primary care services must be available within a 30-minute drive time from the home of each member of a managed care plan, and specialty and hospital services must be available within a 60-minute drive time of the member's home. Managed care entities' applications to expand their geographic service area are also reviewed by CHCD staff to determine if an adequate network of providers would be available in the expanded area. Staff are notified when contractual relationships between an insurance carrier and providers dissolve, creating the possibility that enrollees may not have access to a participating provider. The CHCD staff monitors the situation to assure carriers are complying with Maine law by providing consumers with adequate notice and opportunity to find alternative providers and by ensuring needed continuity of care is provided to consumers currently receiving medical services.

6. HMO Quality Oversight

The Bureau of Insurance has regulatory oversight of Health Maintenance Organizations (HMOs) operating in Maine. An HMO is a health insurance plan that entitles its members to receive services from participating physicians, hospitals, and other providers in exchange for their monthly premium and cost sharing, such as copays or coinsurance. The CHCD staff conducts on-site quality review examinations of HMO offices, including reviewing sample files.

Pursuant to Title 24-A M.R.S.A. § 4215, the Bureau notifies each HMO to be examined that the Bureau of Insurance CHCD staff will conduct a coordinated, on-site State examination of the quality of the carrier's health care and customer services. To minimize duplication of time and resources, quality examinations are coordinated with each HMO's triennial National Committee for Quality Assurance (NCQA) accreditation review cycle. (Although participation in NCQA's accreditation and certification programs is voluntary, all HMOs operating in Maine currently participate.) Specific areas reviewed by CHCD staff include utilization review programs, provision to consumers and providers of toll-free information numbers, benefit decision notifications and emergency room services. CHCD staff also review HMO networks for a variety of quality-related factors, including appropriate member/provider ratios, 24-hour Emergency Room access, geographic accessibility, reasonable appointment and waiting times, and coordination and continuity of care.

The CHCD exam team conducts HMO examinations using a two-part process. First, the team receives a copy of the HMO's NCQA accreditation report. The review team uses the NCQA's findings to credit the HMO for compliance with any State standards that are equivalent to NCQA standards. Second, the team returns to the HMO to assess its compliance with State-specific standards not covered by NCQA. The team then develops a report of its findings.

In 2009, triennial exams were conducted at Anthem Blue Cross Blue Shield of Maine and at Harvard Pilgrim Health Care. The Bureau works closely with NCQA on data elements and the review schedule; a CHCD staff person is a member of NCQA's Public Sector Advisory Council, along with other state and federal officials. Copies of the exam reports are posted on the Bureau's website at www.maine.gov/pfr/insurance/hmo/index.htm.

7. Policy Form Review

Another vital role of the CHCD is to review and approve insurance company rate and form filings. The CHCD receives form filings in electronic format. Electronic filings are submitted via the System for Electronic Rate and Form Filings (SERFF). SERFF is a nationwide system developed by the National Association of Insurance Commissioners (NAIC). In 2009, CHCD received 3,067 form filings, and approved 2,815 filings.

Insurance companies now have the opportunity to file certain forms for review and approval with the Interstate Insurance Product Regulation Commission (IIPRC) better known as the "Compact." Insurance products which companies are permitted to file through IIPRC include life insurance, annuities, disability income and long-term care insurance. IIPRC's approval of forms is recognized in 36 states, including Maine, as well as in Puerto Rico. At the beginning of 2010, the number of forms approved by IIPRC for use in Maine totaled 1,160.

II. Statistics

A. Consumer Inquiries and Complaints

The CHCD assists consumers with inquiries and complaints. An "inquiry" is when a consumer calls to obtain general information on insurance issues, such as a specific line of insurance or an insurance company, or to complain generally about a regulated person or entity but not regarding any specific dispute.

A "complaint" is defined in 24-A M.R.S.A. § 216 (2) as "any written complaint that results in the need for the Bureau to conduct further investigation or to communicate in writing with a regulated entity for a response or resolution to the complaint." On a yearly basis, CHCD compiles a "complaint index" comparison for Maine health insurance companies. Complaints, not inquiries, are utilized in calculating complaint indices for different insurance companies. The complaint index compares the share of complaints against a company to the share of premiums written. Complaint index reports are available on the Bureau's website at www.maine.gov/pfr/insurance/consumer/Health_Complaint_Comparison2009.htm.

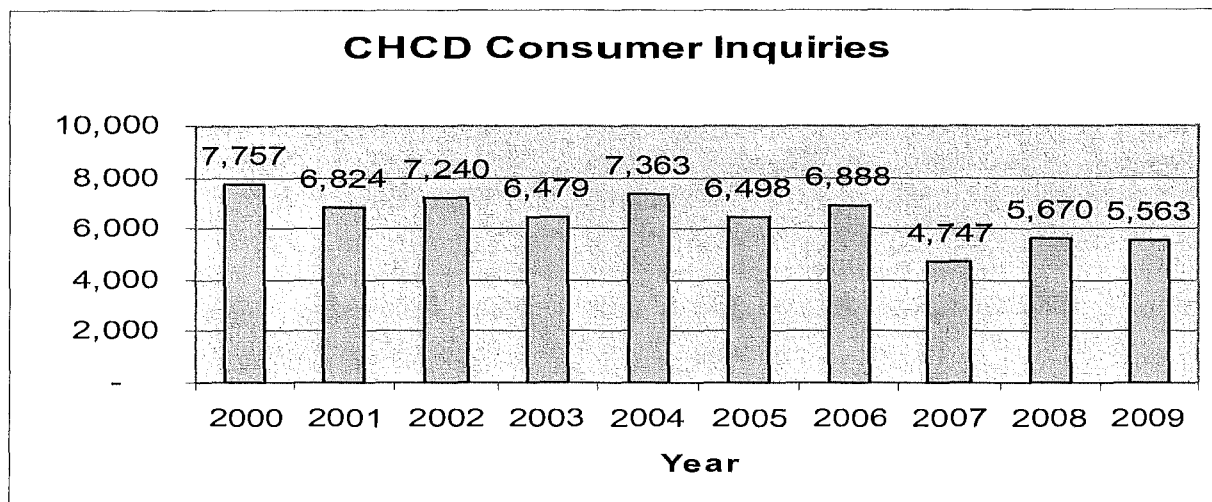
1. Inquiries

The CHCD staff answered 5,563 telephone and written inquiries during 2009. The most frequent inquiries related to:

- MEGA health insurance premium refunds (from 2008 consent agreements);
- Individual insurance;
- Medicare; and
- Claim denials.

Figure 1 illustrates the number of telephone and written inquiries received for the years 2000 – 2009.

Figure 1



The CHCD staff responded to an additional 52 requests for consumer assistance from state and federal legislative officials who were contacted by constituents. Like telephone inquiries, these requests for assistance on behalf of constituents encompass a wide range of health or life and disability insurance issues.

2. Complaints

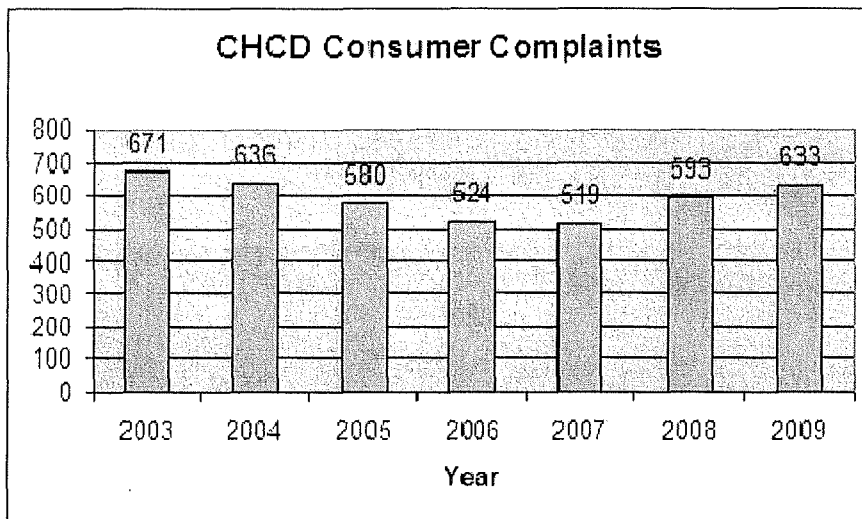
During 2009, the CHCD responded to 633 written health, disability and life insurance complaints filed by health plan enrollees, policyholders, insurance producers and health care providers. The complaints involved insurance carriers, utilization review entities and third party administrators.

The most common consumer complaints against insurance companies in 2009 involved:

- Disputes about denials of claims;
- Disputes about access to care;
- MEGA premium refunds;
- Delays in claim determinations; and
- Disputes about policy coverage.

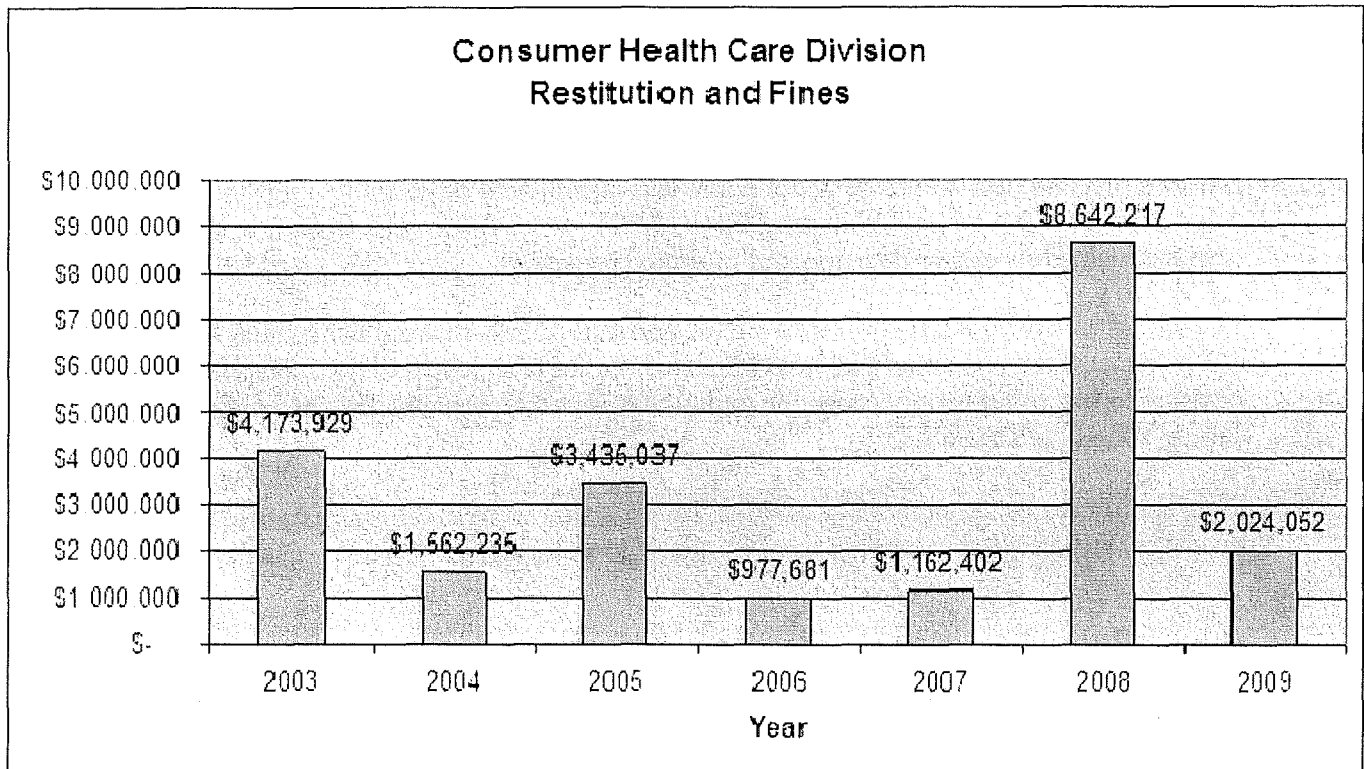
Figure 2 illustrates the number of written complaints filed with the CHCD from 2003 through 2009. After declining for several years, the number of complaints received by CHCD has increased for the past two years.

Figure 2



As part of the complaint investigative process, CHCD staff works to obtain restitution for consumers in cases in which consumers have suffered a financial loss due to improperly denied claims or claims which were not paid in accordance with the policy. During 2009, the CHCD staff obtained restitution of \$1,522,052 for complainants. Most often, the recovered funds were from previously denied claims. In addition to restitution for consumers, in appropriate cases, the Bureau imposes civil penalties against violators. Figure 3 illustrates the total amounts of restitution obtained for consumers and civil penalties imposed by the Bureau from 2003 – 2009. The amounts of restitution and civil penalties vary from year to year depending upon specific losses to consumers and violations committed by licensed entities and individuals.

Figure 3



The 2009 total includes a \$500,000 civil penalty against Bankers Life and Casualty Company. The 2008 total includes \$1,000,000 in civil penalties and \$6,206,469 in refunds and interest payments to Maine policy holders ordered against MEGA Life and Health Insurance Company. The 2005 total includes a civil penalty of \$500,000 against Banker's Life and Casualty Company. The 2003 total includes a \$900,000 civil penalty against Cigna Healthcare of Maine, Inc. and Cigna Behavioral Health, Inc., as well as \$350,000 in civil penalties against Anthem Health Plans of Maine, Inc., and Maine Partners Health Plan, Inc., a subsidiary of Anthem Health Plans of Maine.

In addition to investigating consumer complaints and referring appropriate cases for enforcement actions, CHCD staff works proactively with insurance carriers to identify trends in consumer complaints in an effort to remedy problems before they result in violations of the Insurance Code. The CHCD holds quarterly meetings with several insurance carriers that are either domiciled in this State or write a significant volume of coverage for Maine residents. CHCD staff also meet with insurers who were subject to regulatory actions for significant violations of Maine law to help the insurers identify and correct problems early before they become systemic.

B. External Review

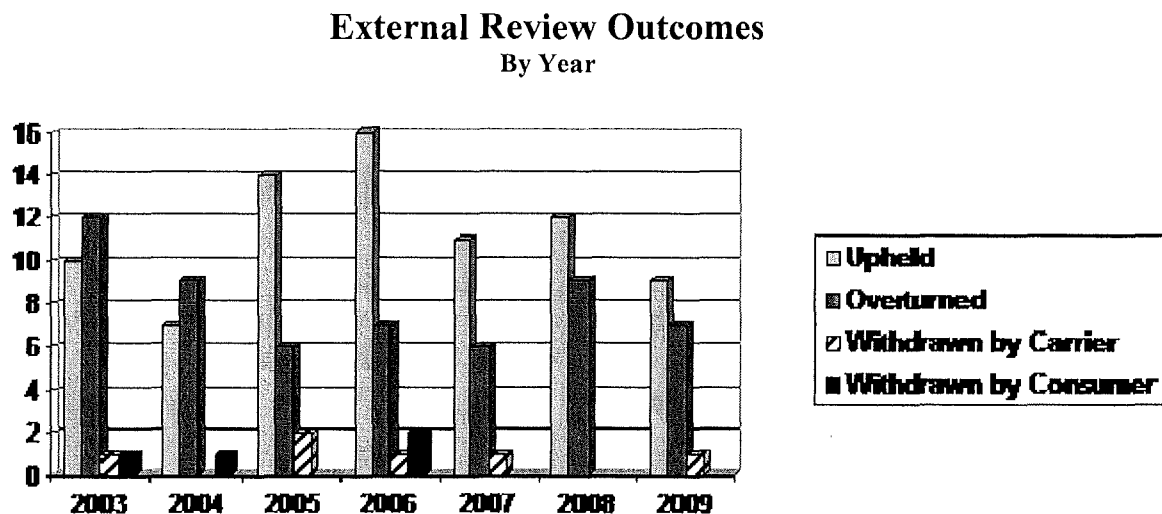
The Bureau contracted with three independent external review organizations in 2009: Island Peer Review Organization (IPRO), Medwork Independent Review and Health Strategies, Inc. (HSI), and Permedion.

The Bureau processed and completed 17 qualified requests for external review during 2009. The carrier's original decision to deny coverage was completely or partially overturned in seven of these cases (41%), and upheld in nine cases (53%). One review was withdrawn because the carrier reversed its earlier decision and provided coverage.

The CHCD received additional requests for external review that did not qualify under the statute, either because the consumer had not exhausted one or both levels of the insurance carrier's internal appeal process or because the denial was based on issues other than validity of the carrier's medical decisions.

Figure 4 illustrates the number of external reviews that were overturned, upheld, or withdrawn by either the carrier or consumer prior to the review, for the years 2003 – 2009.

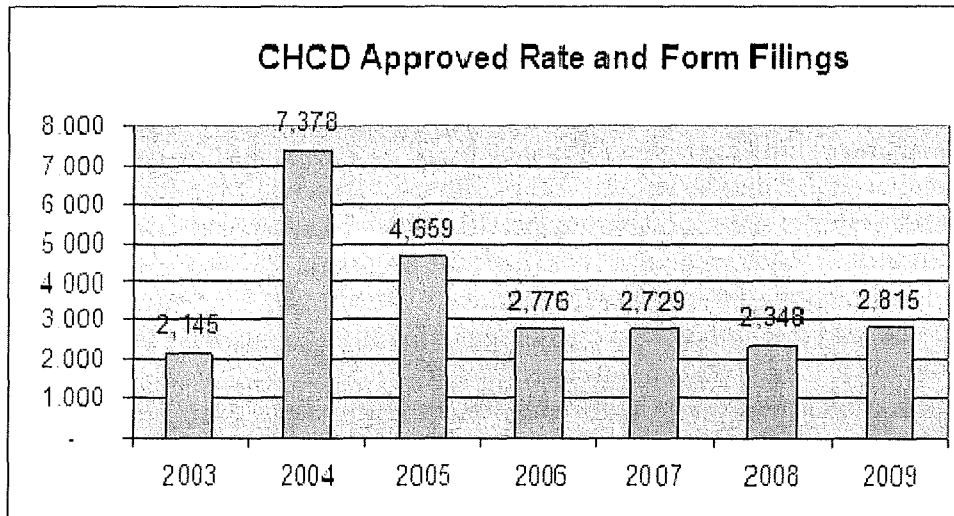
Figure 4



C. Policy Form and Rate Review

During 2009, the CHCD and actuarial team approved 2,815 form and rate filings. The Bureau received a total of 3,067 form and rate filings. Several filings were disapproved, placed on file for information or withdrawn by the insurance company.

Figure 5



III. Legislative and Regulatory Activities

A. Dirigo

The staff attended Dirigo Health Agency Board meetings to monitor progress of the DirigoChoice product, and to provide feedback or advice as requested. Staff also attended meetings of the Advisory Council for Health Systems Development (created by the Dirigo statute, 24-A M.R.S.A. ch. 87) and the Council's Payment Reform Subcommittee. The major task for both groups in 2009 was to examine alternative payment arrangements and to develop recommendations on payment reform in Maine, as charged by P.L. 2009, Ch. 350, *An Act to Protect Consumers and Small Business Owners from Rising Health Care Costs*. The CHCD staff provided technical assistance to Council members on existing insurance regulations.

B. Rules

The CHCD was responsible for the amending, drafting and implementation of three administrative rules in 2009:

- Rule 275, Medicare Supplement Insurance (amended the rule, including implementation of expanded guaranteed issue rights and provisions for the 2010 Medicare Supplement plans);

- Rule 745, Individual Health Insurance Pilot Projects for Persons Under 30 Years of Age; and
- Rule 765, Health Insurance Emergency Planning Procedures.

All Bureau rules are posted on the Bureau's website.

C. Long-Term Care Partnership Program

Maine's Long-Term Care Partnership Program, established by 22 M.R.S.A. § 3174-GG, was launched with a retroactive effective date of July 1, 2009, following approval from the Centers for Medicare and Medicaid Services (CMS) on November 10, 2009. The Bureau issued bulletins on November 17, 2009 providing guidance to insurers about the program. The Partnership Program operates under the direction of the Maine Department of Health and Human Services in consultation with the Bureau, and it is intended to encourage individuals to purchase long-term care insurance policies to reduce the need for MaineCare funding in the event that long-term care services are needed. Under the Partnership Program, individuals who purchase long-term care insurance policies that meet certain requirements can apply for MaineCare assistance under special rules for determining financial eligibility and estate recoveries. These rules generally allow an individual to protect assets equal to the insurance benefits received from a Partnership Policy so that such assets will not be taken into account in determining financial eligibility for MaineCare and will not subsequently be subject to MaineCare liens and recoveries.

D. Coverage for Direct Care and Part-time Workers

The CHCD submitted a report titled "Health Insurance Coverage for Maine's Direct Care Workers" to the Joint Standing Committee on Insurance and Financial Services in January 2009. This report presented the findings of the working group, convened by the Bureau of Insurance at the Committee's request, on options to expand access to health insurance coverage for direct care workers who provide home and long-term care to Maine's elderly residents and to individuals with disabilities.

In 2009, the Legislature directed the Department of Health and Human Services to gather information about a health insurance demonstration project for direct care workers. CHCD staff participated in the Direct Care Worker Task Force, which submitted its report to the Joint Standing Committee on Health and Human Services in January 2010.

The Governor's Office on Health Policy and Finance was awarded a four-year grant by the U.S. Health Resources and Services Administration (HRSA) to develop a subsidy program for direct care workers, as well as part-time and seasonal workers, to help them obtain health insurance through their employers. The CHCD staff provided technical assistance to the Business Advisory Council, which was tasked with implementing this program.

E. NAIC Committee Participation

CHCD staff participate actively in several working groups and task forces of the National Association of Insurance Commissioners (NAIC), including the Annuity Disclosures Working Group, the Suitability of Annuity Sales Working Group, the Senior Issues Task Force and the Consumer Disclosures Working Group. The Annuity Disclosures Working Group seeks to improve consumer information about annuity products. The Suitability of Annuity Sales Working Group considers ways to improve regulations to protect consumers against unsuitable and abusive sales and marketing practices which can be associated with annuity sales. The Senior Issues Task Force considers policy issues and develops regulatory standards and consumer information for insurance issues specifically affecting older Americans. The Consumer Disclosures Working Group has sought to develop best practices and guidelines for use by state insurance regulators in developing information disclosures to consumers.

F. Facilitation of Coverage for H1N1 Immunization and Treatment, and Emphasis on Emergency Preparedness

The Bureau partnered with the Maine Centers for Disease Control (CDC) to find ways to improve access to and private financing of H1N1 vaccine and treatment and to streamline the H1N1 vaccination process for many Maine consumers. Bureau and CDC staff held weekly calls with Maine's health insurance carriers. The Bureau developed a standard roster billing form, which most carriers agreed to accept in order to streamline the billing process for mass immunizations, such as those administered at schools. "Roster billing" is a simplified billing process which makes it easier for clinics and other mass immunizers to quickly immunize people while still obtaining information necessary for the insurance company to pay claims. The collaboration between the regulated community and the regulators during this public health emergency lead to health insurers voluntarily waiving barriers to accessing the vaccine and treatment – barriers such as copayments and deductibles, as well as reclassifying treatment prescription medication into lower copay and coinsurance coverage categories--helping insured people better afford the lifesaving medication.

The Bureau initiated emergency rules requiring health plans to have certain procedures in place to address public health emergencies. The Bureau adopted permanent rules to ensure that all insurers in Maine's market are prepared for an emergency. These include updated Business Continuity Plans.

IV. Conclusion

Through its ongoing consumer education and outreach efforts, the CHCD strives to make Maine consumers aware of the services and assistance available through the Maine Bureau of Insurance. In addition to consumer education and assistance, the CHCD monitors insurance companies in Maine to ensure their compliance with Maine law. The CHCD staff communicates on a regular basis with Maine insurance companies in an effort to keep them apprised of the expectations and requirements of CHCD. The CHCD also pursues enforcement actions against both insurance companies and agents who operate in violation of Maine law.

For additional information or answers to questions, please contact the Consumer Health Care Division at the Maine Bureau of Insurance by calling toll free 800-300-5000 or visiting the Bureau's website at www.maine.gov/pfr/insurance.