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MILA KOFMAN
SUPERINTENDENT

January 15, 2009

Senator Peter B. Bowman, Chair
Representative Sharon Anglin Treat, Chair
Joint Standing Committee on Insurance and Financial Services
State House Room 427
Augusta, ME 04333

RE: Multiple Employer Welfare Arrangements' Access to Healthcare Services

Dear Sen. Bowman, Rep. Treat, and Members of the Committee:

As required by Title 24-A, M.R.S.A., §6603(9), I am pleased to submit the Bureau of Insurance's first annual report on the status of managed care plan pilot projects being implemented by Multiple-Employer Welfare Arrangements (MEWAs) that do not adhere to geographic access standards. At this time, no such projects have been approved by the Bureau.

Background – Geographic Access Standards

Managed care plans marketing to and enrolling Mainers must demonstrate that their current and potential members have reasonable access to care providers, as required by Title 24-A, M.R.S.A., §4303(1). The Bureau of Insurance developed standards for demonstrating this access in Rule Chapter 850(7)(C):

- 1) Primary care services shall be available within 30 minutes travel time by automobile of each enrollee's residence. The following distances shall be used as guidelines in determining distances corresponding to 30 minutes travel time under normal conditions:
 - a) Areas with primary road available: 20 miles.
 - b) Areas with only secondary roads available: 15 miles.
 - c) Areas connected by interstate highways: 25 miles.

- 2) Specialty care and hospital services shall be available within 60 minutes travel time by automobile of each enrollee's residence. The following distances will be used as guidelines in determining distances corresponding to 60 minutes travel time under normal conditions:
 - a) Areas with primary road available: 40 miles.

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- b) Areas with only secondary roads available: 30 miles.
- c) Areas connected by interstate highways: 50 miles.

Exceptions to these standards are also detailed in this Rule.

Public Law 2007, Chapter 278, Section (SYMBOL) 1

In 2007, the Legislature added subsection 9 to Title 24-A, M.R.S.A., Chapter 81, §6603. This new subsection gave MEWAs the ability to develop managed care plan pilot projects which would not be held to the geoaccess standards. Any such plan would first be approved by the Superintendent of Insurance, after a careful review to determine that the plan's members would not face detrimental financial impacts.

The new subsection also required the Superintendent to report to the Joint Standing Committee on Insurance and Financial Services annually, beginning January 15, 2009, on the status of any approved pilot projects.

Status of Pilot Projects

There has been no activity in this area. The Bureau has not received any requests to approve potential pilot projects. Neither have we heard anecdotally of any MEWAs intending to submit such a request.

I hope this information is helpful to the Committee. Please feel free to call on the Bureau if we can be of further assistance.

Sincerely,



Mila Kofman
Superintendent of Insurance

cc: Colleen McCarthy-Reid, Legislative Analyst