IN RE:	)	**CONSENT AGREEMENT**
HEALTHSOURCE MAINE, INC.	)	**Docket No. MCINS 2000-5**
	)	
	)	

This document is a Consent Agreement, authorized by 5 M.R.S.A. § 9053(2) entered into by and among Healthsource Maine, Inc. (hereafter also "*Healthsource*") and the Superintendent of the Maine Bureau of Insurance (hereafter also the "*Superintendent*"). Its purpose is to resolve, without resort to an adjudicatory proceeding, violations of Bureau of Insurance Rule Chapter 850(9) and the terms of Consent Agreement MCINS 99-18.

FACTS

1. Healthsource Maine, Inc has been a Maine licensed HMO, License # HMD 4, since 1987.

2. The Superintendent of Insurance is the official charged with administering and enforcing Maine's insurance laws and regulations.

3. On November 23, 1999, a consent agreement, MCINS 99-18, was entered into between the Superintendent and Healthsource for violations by Healthsource of Bureau of Insurance Rule Chapter 850. Paragraph 37 of that Consent Agreement states (emphasis added):

Within 30 days of executing of this Agreement, Healthsource will provide the Bureau with a written explanation of how it determines medical necessity for chiropractic services. Until such time as Healthsource may develop or adopt formal chiropractic clinical review criteria, Healthsource will advise consumers and their providers who request the clinical review criteria upon which an adverse chiropractic utilization review was based that Healthsource does not utilize chiropractic clinical review criteria. Requesting consumers and their providers will instead be provided with the aforementioned written explanation of how Healthsource determines medical necessity for chiropractic services, ***along with a detailed, patient specific justification for the adverse chiropractic determination at issue.***

4. In satisfaction of the requirement of Paragraph 37 of MCINS 99-18, Healthsource sent the Bureau a five page letter dated December 17, 1999, written by Kathleen Naughton, D.C, MHA, AVP, Quality and Process Improvement Network Operations CIGNA Healthcare.

5. Pursuant to Rule 850(8)(E)(5), a covered person and their provider may request a copy of any clinical rational and review criteria used by a carrier in rendering an adverse utilization review determination.

6. On January 19, 2000, the Bureau received a complaint from Arthur Selander, D.C regarding a May 5, 1999 Healthsource Point of Service Authorization 795865*V denying a referral the Healthsource member sought to Dr. Selander.

7. Dr. Selander submitted an appeal letter on behalf of the member on November 9, 1999.

8. On December 14, 1999, Healthsource denied Dr. Selander's appeal on behalf of the member. The denial letter stated in relevant part:

This decision was made based on the following: An expert review was conducted by Kevin Hagerty, D.C., and it was determined the protracted course of manipulation and therapeutic exercise failed to stabilize this member's spine. A referral to another chiropractor for a second opinion and trial of care with a different technique would have been the accepted standard of care…Please note the original referral for these services was reviewed by Healthsource Maine's Health Services Department and Healthsource Maine's Associate Medical Director. The determination to deny the referral was made by the Associate Medical Director. Our records indicate Dr. Chong spoke to you on 5/21/99 to discuss the reasons for his denial.

9. Rule 850(8)(G)(1)(c)(iv) requires adverse utilization review appeal determination notices to "include instructions for requesting copies of any referenced evidence, documentation or clinical review criteria not previously provided to the covered person." Healthsource's December 14, 1999 adverse determination notice did not include the required instruction.

10. Rule 850(8)(G)(1)(c)(v) requires adverse utilization review appeal determination notices to include a description of the process for submitting a written request for second level grievance review pursuant to section 9(D) of Rule 850 and, the procedures and time frames governing a second level grievance review, and the rights specified in section 9(D)(3)(c). Healthsource's December 14, 1999 adverse determination notice did not include a complete description of the procedures and timeframes governing a second level review. The adverse determination notice did not advise the member of their right to submit supporting material before the second level grievance review meeting and to ask questions of any representative of the health carrier. The notice also failed to set forth the timeframes governing a second level grievance.

11. On December 17, 1999, Dr. Selander wrote to Healthsource advising that the member had authorized Dr. Selander to pursue a second level grievance on the members behalf. Dr. Selander's December 17th letter states: "This letter is not the appeal. Before I can complete that appeal could you please forward to me a copy of the clinical rationale/criteria used to make the initial determination and could you please send me a copy of the actual review conducted by Kevin Hagerty, D.C."

12. On December 29, 1999, Healthsource Medical Director Robert Hockmuth, M.D. responded to Dr. Selander stating in relevant part:

Thank you for your letter of December 17th… I have enclosed a copy of our summary response to the Bureau of Insurance regarding request such as yours for clinical rationale criteria. Our feeling is that since no definite clinical criteria exist within the chiropractic standard of care we

are not able to provide any specific criteria other than those involving our standard definition for medical necessity.

13. On January 24, 2000, the Bureau received a complaint from Arthur Selander, D.C. regarding a Denial of Services he received from Healthsource dated December 7, 1999, Referral # 889458*V.

14. On December 16, 1999, Dr. Selander wrote to Healthsource regarding the December 7th denial stating, "I would like to see the clinical rationale/criteria that the medical director used to make this determination."

15. On December 21, 1999, Healthsource Medical Director Robert Hockmuth, M.D. sent Dr. Selander a letter stating:

Enclosed you will find the clinical rationale that you requested on December 20, 1999. Healthsource Maine, Inc. used this clinical rationale in the denial [at issue].

16. On January 10, 2000, Dr. Selander wrote to Dr. Hockmuth stating:

We received a letter from you dated December 21, 1999 stating that the requested clinical rationale was enclosed. However, there was not information enclosed with the letter. I spoke to you on December 27, 1999 and informed you that the clinical rationale had not been enclosed with your letter. You informed me that you would track in down and get it to us. To date we have not received the clinical rationale.

17. On January 17, 2000, Dr. Hockmuth responded to Dr. Selander's January 10th letter stating:

I have enclosed a copy of our summary response to the Bureau of Insurance regarding request such as yours for clinical rationale criteria. Our feeling is that since no definite clinical criteria exist within the chiropractic standard of care we are not able to provide any specific criteria other than those involving our standard definition for medical necessity.

18. The enclosure with Dr. Hockmuth's January 17th letter was a copy of the 5 page December 17, 1999 letter of Kathleen Naughton, D.C. submitted by Healthsource to the Bureau in satisfaction of Consent Agreement MCINS 99-18 paragraph 37.

CONCLUSIONS OF LAW

19. By failing to provide Dr. Selander with detailed, patient specific justifications for the two adverse chiropractic determinations at issue, Healthsource's December 29, 1999 and January 17, 2000 responses to Dr. Selander, referenced at paragraphs 13 and 18 above, violated Bureau of Insurance Rule Chapter 850(8)(E)(5) and the terms of Consent Agreement MCINS 99-18.

20. As described at paragraph 10 above, Healthsource violated Rule 850(8)(G)(1)(c)(iv).

21. As described at paragraph 11 above, Healthsource violated Rule 850(8)(G)(1)(c)(v).

COVENANTS

22. A formal hearing in this matter is waived and no appeal will be made.

23. At the time of executing this Agreement, Healthsource shall pay to the Maine Bureau of Insurance a penalty in the amount of eight thousand dollars ($8,000.00) payable to the Treasurer of the State of Maine.

24. At the time of executing this Agreement, Healthsource shall provide the Bureau and Dr. Selander with detailed, patient specific justifications for the adverse chiropractic determinations at issue.

25. In consideration of Healthsource's execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil sanction for the violations described above other than those agreed to in this Consent Agreement.

MISCELLANEOUS

26. Healthsource understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, and will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408.

27. It is understood by the parties to this Agreement that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.

28. This Consent Agreement may only be modified by the written consent of the parties.

29. Healthsource has been advised of its right to consult with counsel and has, in fact, consulted with counsel before executing this Agreement.

FOR HEALTHSOURCE MAINE, INC.

Dated: _____, 2000

By: _____
Signature

For: _____
Typed Name

_____
Typed Title

Subscribed and Sworn to before me
this _____ day of _____, 2000.

_____
Notary Public

FOR THE MAINE
BUREAU OF INSURANCE

Dated: _____ , 2000

_____
Alessandro A. Iuppa
Superintendent of Insurance

STATE OF MAINE
KENNEBEC, SS.

Subscribed and sworn to before me
this _____ day of _____, 2000.

_____
Notary Public/Attorney-at-Law

FOR THE MAINE
ATTORNEY GENERAL

Dated: _____, 2000

_____
Judith Shaw Chamberlain
Assistant Attorney General