**Bulletin 260-A**

**PROVIDER NETWORKS**

Bulletin 260, which was issued on August 20, 1996, is updated to reflect subsequent changes to Maine's small group law. The changes have the effect of allowing a managed care product to be offered in a limited service area [Title 24-A M.R.S.A. § 2808-B(4)(A)(1)]. This means that an HMO can offer a limited network product in a more restricted service area than the HMO's full service area. The changes from Bulletin 260 are in Part II below. Part I is unchanged.

I. Health Maintenance Organizations and Preferred Provider Organizations are hereby reminded that no HMO, point of service, or preferred provider organization product may be marketed in Maine until such time as the provider network has been reviewed and approved by the Bureau. Title 24-A M.R.S.A. § 4216(A) authorizes penalties where the Superintendent finds an HMO is (emphasis added):

operating significantly in contravention of its basic organizational document or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 4203 [application requirements], unless amendments to such submissions have been filed with and approved by the superintendent.

Title 24-A M.R.S.A. § 2675(1-A) states:

No [preferred provider] arrangement may be offered until the Superintendent has approved the arrangement.

II. The Bureau has received inquiries from HMO's interested in marketing products offering a more limited network than that available under previously approved products. For example, the more limited network might include only hospitals that have entered into particularly favorable contracts with the HMO. Such a product would be permissible if the limited network is approved by the Bureau. If the limited network is approved for an area that is less than the HMO's full service area, the limited network product can only be offered and issued within the limited service area. This applies equally in the large group, small group, and individual markets.

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