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Bulletin 424

New Law to Encourage Consumers to Comparison-shop for Health Care Services

This Bulletin outlines new requirements for carriers offering health plans in Maine that have been added to the Insurance Code by Public Law 2017, Chapter 232 (LD 445), “An Act To Encourage Consumers To Comparison-shop for Certain Health Care Procedures and To Lower Health Care Costs.” The requirements have varying effective dates.

Health care price transparency tools¹

Beginning January 1, 2018, a carrier must make a website and toll-free telephone number available to enrollees to obtain estimated cost and quality data for comparable health care services obtained from network providers. “Comparable health care services” are defined to mean physical and occupational therapy services, radiology and imaging services, laboratory services, and infusion therapy services.² A carrier may satisfy this requirement by directing enrollees to the Maine Health Data Organization (MHDO) website. A carrier may submit a request to the Superintendent for an additional year to comply with this requirement, if the carrier demonstrates a good faith effort to comply and provides an action plan that details the steps the carrier will take to comply no later than January 1, 2019.

Denial of referral by out-of-network provider prohibited³

Beginning January 1, 2018, a carrier may not deny payment for a covered health care service solely on the basis that a referral was made for the service by an out-of-network provider.

¹ See 24-A M.R.S. § 4303(21).

² See 24-A M.R.S. § 4318-A(1)(A).

³ See 24-A M.R.S. § 4303(22).



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Comparable health care service incentive program⁴

Beginning January 1, 2019, carriers must provide programs that directly incentivize enrollees to shop for comparable health care services from low-cost, high-quality participating providers. These incentive programs must be included, at a minimum, in all HSA-compatible small group health plans, other than multiple-employer welfare arrangements (MEWAs), and must remain available for at least two years. After two years, the carrier may modify or terminate the program without the need to qualify for an exception to guaranteed renewability under the Maine Insurance Code. The incentive program requirement sunsets on January 1, 2024.

A detailed description of the available incentives must be included in the summary of benefits and explanation of coverage provided to enrollees and must be filed with the Superintendent for approval. Carriers must provide notice of the incentive program at the time of enrollment, and annually on renewal, to all enrollees in these plans. The notice must include a description of the incentives available and how to earn those incentives.⁵

For purposes of rate development or rate filing, an incentive payment made by a carrier is not considered to be an administrative expense.

Beginning in 2020, and annually thereafter until 2024, the Superintendent must study and evaluate the incentive programs created by carriers and report on their performance to the appropriate legislative committee by April 15. The Bureau will request information from carriers on enrollment in incentive plans and the utilization of incentives.

Access to lower-priced services⁶

Beginning January 1, 2019 and ending January 1, 2024, a carrier must allow enrollees in any health plan, other than an HMO plan, to obtain comparable health care services (as defined above) from out-of-network providers if the price is no higher than the average price paid to network providers for the covered comparable health care service under the enrollee's health plan. Eligibility is restricted to out-of-network providers located in Maine, New Hampshire, and Massachusetts that are enrolled in the MaineCare program and participate in Medicare. The carrier must use a reasonable method to calculate the average price and make the information available to enrollees through a website accessible to the enrollee and through a toll-free telephone number; otherwise, the price comparison will be based on the statewide average for the service based on MHDO data. Upon the enrollee's request, the carrier must apply the enrollee's payment for the service toward the enrollee's deductible and out-of-pocket maximum as if obtained in-network. The carrier may require the enrollee to submit copies of bills and proof of payment, and must provide enrollees with a downloadable or interactive online form for this purpose.

⁴ See 24-A M.R.S. § 4318-A.

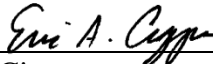
⁵ See 24-A M.R.S. § 4318-A(3) (referencing 24-A M.R.S. § 4302(1)(M)).

⁶ See 24-A M.R.S. § 4318-B.

The full text of the law is available at:

http://www.mainelegislature.org/legis/bills/bills_128th/chapters/PUBLIC232.asp

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NOTE: This Bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties, or privileges, nor is it intended to provide legal advice. Readers should consult applicable statutes and rules and contact the Bureau of Insurance if additional information is needed.