



JOHN ELIAS BALDACCI
GOVERNOR

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
ACCOUNT CLERK
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

ERIC A. CIOPPA
ACTING SUPERINTENDENT

January 16, 2007

Sen. Nancy Sullivan
Rep. John R. Brautigam
Joint Standing Committee on Insurance and Financial Services
100 State House Station
Augusta, ME 04333-1000

RE: Report required by Section E-21 of 2003 PL c. 469

Dear Senator Sullivan, Representative Brautigam, and Members of the Committee:

As part of 2003 Public Law Chapter 469, the Superintendent of Insurance is required to submit a report to the Committee on any decisions by the Superintendent to allow health insurance carriers to offer health plans which offer enrollees financial incentives to use designated providers.

At this time, no decisions have been made to allow a carrier to offer such a plan. One carrier has submitted documentation to offer such a plan (submitting the most recent documentation just before the end of 2006); this documentation is currently being reviewed to determine if it complies with the regulations governing such plans, as laid out in Bureau Rule Chapter 850(7)(H). A second carrier has expressed an interest in pursuing such a plan but has submitted no documentation to the Bureau. No filings have been made under this section since 2004 which have been disapproved by the Bureau.

Currently, Title 24-A, M.R.S.A. § 4303(1)(A), which allows carriers to seek approval of health plans which offer enrollees financial incentives to use designated providers, is set to be repealed July 1, 2007.

I hope this information is useful to the Committee. Please let me know if I can provide any further assistance.

Sincerely,

Eric Cioppa
Acting Superintendent of Insurance

Cc: Trish Riley, Governor's Office of Health Policy and Finance



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OFFICES LOCATED AT 124 NORTHERN AVENUE, GARDINER, MAINE 04345
www.maine.gov/insurance

Phone: (207) 624-8475 (Office)

TTY: 1-888-577-6690

Customer Complaint 1-800-300-5000

Fax: (207) 624-8599