



DEPARTMENT OF

Professional & Financial Regulation

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

For Immediate Release
August 5, 2024

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Insurance Superintendent Warns Mainers About “Self-Funded” Health Plans Offered to Individuals

Bob Carey, Superintendent of the Maine Bureau of Insurance, cautioned Maine residents to be aware of salespeople offering “self-funded” health plans to individual consumers. The latest pitch involves so-called self-funded health coverage that makes people “limited partners” or “part owners” of an employer group that is offering these plans.

“These plans do not provide comprehensive medical coverage and can leave consumers with large, unpaid medical bills. Mainers should proceed with caution before signing up and paying a monthly premium. The Bureau has already intervened in cases where Maine people have contacted us after they’ve paid a monthly premium and then had their medical claims denied,” Carey commented.

Information about the partnership or owner arrangement is often embedded within the agreement consumers electronically sign prior to enrolling in the coverage. Some of the groups marketing self-funded coverage to Maine people include:

- Affiliated Workers Alliance
- Consumer Data Partners, LP
- Employers Business Alliance, LLC
- Innovative Partners, LP
- Socios Buenos, LP
- Strategic Limited Partners
- The Vitamin Patch, LLC

These groups do not offer major medical plans.

Major medical plans cover a full range of medical services, including preventive care, office visits, inpatient and outpatient services, prescription drugs, and emergency care. These health plans are licensed and overseen by the Bureau of Insurance.

Unlike major medical plans, some of these self-funded plans only cover preventive services such as a yearly check-up or annual health screening. Other plans place limits on the number of services, like doctor visits, that will be covered. There are even some self-funded plans that restrict this already limited coverage by not covering preventive services if they are provided in a hospital facility.

Carey noted, “While the monthly premium for these self-funded health plans may be lower than a major medical plan, consumers may face very high out-of-pocket costs from uncovered medical expenses. A health plan that covers only preventive services will not cover visits to your doctor beyond an annual physical, won’t cover drugs to treat chronic health conditions, and won’t cover a hospital stay. These medical services can cost tens of thousands of dollars.”

To determine if you have purchased coverage through one of these groups, look at the documents that were emailed after you enrolled in the plan and look at the insurance card they may have sent you. The group may not even send a physical card, so consumers should check their email for an ID card.

If you are worried that you do not have the type of insurance you thought you purchased, call the Maine Bureau of Insurance. Bureau of Insurance staff are available during normal business hours to help you understand the coverage you purchased. The Bureau can be reached at 207-624-8475; TTY: 711 or 800-300-5000 (toll free).

As a reminder, the only way to purchase major medical plans in Maine is through CoverME.gov, directly from an insurance company, or from a licensed agent. The licensed insurance companies offering major medical individual health plans in Maine are Anthem, Harvard Pilgrim/Point32, UnitedHealthcare, Maine Community Health Options and Taro Health (in certain counties).

CoverME.gov is Maine's official state-run health insurance marketplace that works to ensure Mainers understand their health insurance options. For questions about whether you are eligible to enroll in a major medical plan outside of open enrollment, you can call CoverME.gov directly at 1-866-636-0355; TTY: 711.

For more information regarding red flags when purchasing health insurance, please see the Bureau of Insurance Guide to Purchasing Health Insurance Online, available with our consumer guides at: <https://www.maine.gov/pfr/insurance/consumers/consumer-guides#health>