

LD 945, An Act Regarding Notice by Health Insurance Carriers of Policy Changes

SUMMARY:

This bill provides that the notice insurance carriers must give to health care providers in order to change a material term of the contract during the contract year must be in writing and be the only subject of the written communication.

CURRENT LAW:

Under current law, health insurance carriers are required to notify a participating provider of a proposed amendment to a provider agreement at least 60 days' prior to the amendment's proposed effective date. If an amendment that has substantial impact on the rights and obligations of providers is made to a manual, policy or procedure document referenced in the provider agreement, such as material changes to fees schedules or material changes to procedural coding rules, a carrier shall provide 60 day's notice.

A carrier and a provider may mutually waive the 60-day notice requirement. See [24-A MRSA section 4303, subsection 9](#).

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TESTIMONY: Written testimony can be found at this [link](#)

ISSUES FOR CONSIDERATION:

1. As drafted, bill specifies that notice provided by carriers of any change or amendment must be a separate discrete notice and be provided in writing. Current law does not specify how notice is provided—testimony indicated carriers comply in different ways – some send monthly or quarterly communications, some more frequently, and notices often include several changes.
2. Proponents advocate for a uniform, consistent way of communicating changes by carriers—no uniform manner used by carriers now. Some carriers use electronic newsletters to notify providers and changes embedded in those newsletters are often missed. Providers indicated that current process is time consuming and believe this proposal will improve claims processing.
3. Maine Health and Maine Chapter of the American Physical Therapy Association suggested that committee consider amendment to require notice to be sent to providers by certified mail, return receipt requested.
4. Is notice required to each individual provider? Can notice be provided to each contracted entity? Language as written may need clarification.

FISCAL INFORMATION:

Not yet determined