



COMMONWEALTH OF MASSACHUSETTS

Office of Consumer Affairs and Business Regulation

DIVISION OF INSURANCE

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Filing Guidance Notice 2009-G Bureau of Managed Care

TO: Commercial Health Insurers, Blue Cross and Blue Shield of Massachusetts, Inc. (BCBSMA), Health Maintenance Organizations (HMOs), Fraternal Benefit Societies, Dental Service Corporations and Optometric Corporations

FROM: Nancy Schwartz, Director, Bureau of Managed Care

DATE: August 28, 2009

RE: Tiered Benefits within Closed Network Health Plans

The purpose of this notice is to provide guidance for health carriers on materials to file for closed network health plans with cost-sharing levels that differ based on a covered person's choice of health provider. In these plans, often referred to as tiered network health plans, the coverage offers more than one tier (or sub-grouping) of providers within the overall network. Each tier has its own identified levels of cost-sharing (e.g., copayments, coinsurance, deductibles) and covered persons are subject to different cost-sharing levels based on the tier of the provider.

When companies submit products that have tiered benefits within closed network health plans, the Division will look for submitted filing materials to include the following:

- provider directories and informational documents that explain the way the carrier identifies the providers in each of the benefit tiers;
- maps and other materials that demonstrate access to providers throughout the plan's service area - for two-tier plans the materials should demonstrate adequate access to providers in the higher benefit (also referred to as the lower cost-sharing) tier and for plans with more than two tiers, the materials should demonstrate adequate access to providers in some combination of the highest benefit tiers; and
- a statement signed by an officer that explains the way that the plan's cost-sharing levels in the lowest cost-sharing tier(s) do not create an unreasonable barrier to accessing medically necessary services covered by the plan.

If the lowest cost-sharing tier(s) provides adequate access, carriers may submit plans that have cost-sharing levels for the other tiers that are higher than traditionally offered in closed network health plans. In this case, the Division will look for the filing material to include a statement signed by an officer of the company that explains the way that the deductible, coinsurance, copayment or other cost-sharing level provide an actuarially substantive benefit to a person choosing treatment through providers associated with that cost-sharing tier.

If you have any questions, please contact Nancy Schwartz at (617) 521-7347.