



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

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HEALTH COVERAGE
FILING GUIDANCE NOTICE 2012-D

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

FROM: Nancy Schwartz, Director, Bureau of Managed Care

DATE: July 11, 2012

RE: Filings for Products that Include Rewards and/or Discounts

The purpose of this Notice is to provide guidance to commercial health insurers, Blue Cross and Blue Shield of Massachusetts, Inc., health maintenance organizations, fraternal benefit societies, dental services corporations and optometric corporations (collectively "Carriers") related to the submission of materials that provide rewards and/or discounts for covered persons within a health plan.

Carriers must file new forms or amendments to existing forms for products that are intended to provide rewards for actions on the part of members (such as a monetary reward for seeing a lower-cost provider) or discounts for services or providers (such as discounts for a non-covered services such as dental services). The Division will expect Carriers to demonstrate the following:

- (1) The form fully describes the features of the reward and/or discount;
- (2) The form is presented to all affected insureds and is considered part of their evidence of coverage;
- (3) Any reward provided to the insured is paid by the Carrier;
- (4) Discounts off of services or merchandise are fully described within the form and arranged by the Carrier;
- (5) The reward or discount is posted on a website page;
- (6) The reward or discount is either a part of the benefit package or germane to the benefits included in the health plan (i.e., related to health treatment or health promotion);
- (7) The value of the reward or discount is appropriate to the service or merchandise and is not excessive; and
- (8) The reward or discount is accessible to all persons covered under the health plan.

If you have any questions regarding this Notice, please call Nancy Schwartz, Director, Bureau of Managed Care, at (617) 521-7347.