COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE
1000 Washington Street, Suite 810 • Boston, MA 02118-6200
(617) 521-7794 • FAX (617) 521-7758
http://www.mass.gov/doi

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

GREGORY BIALECKI
SECRETARY OF HOUSING AND ECONOMIC DEVELOPMENT

BARBARA ANTHONY
UNDERSECRETARY OF CONSUMER AFFAIRS AND BUSINESS REGULATION

JOSEPH G. MURPHY
COMMISSIONER OF INSURANCE

BULLETIN 2011-17

TO: Commercial Health Insurers, Blue Cross and Blue Shield of Massachusetts, Inc. and Health Maintenance Organizations Offering or Renewing Insured Health Products in the Merged Market in Massachusetts

FROM: Joseph G. Murphy, Commissioner of Insurance

DATE: October 6, 2011

RE: Distribution of Consumer Guide to Limited, Regional and Tiered Provider Network Plans

---

The Division of Insurance ("Division") issues this Bulletin to provide commercial health insurers, Blue Cross and Blue Shield of Massachusetts, Inc. and Health Maintenance Organizations ("Carriers") with the consumer guide on limited provider networks to be distributed to Massachusetts insureds when offering a limited, regional or tiered provider network plan, as required under 211 CMR 152.06(2)(b).

Pursuant to 211 CMR 152.06(2)(b), the Commissioner will designate a guide that must be issued by any health benefit plan that uses a limited provider network, a regional provider network or a tiered provider network prior to the time a prospective individual non-employment-based subscriber is presented with an application or enrollment form or engages in any alternative or electronic enrollment process. Carriers may use the attached guide, entitled *"Limited, Regional and Tiered Network Plans: Choosing the Health Plan That's Right for You,"* to satisfy the requirements of 211 CMR 152.06(2)(b). Carriers may obtain a copy of this guide in electronic format from the Division's Bureau of Managed Care at (617) 521-7372 or at BMCMailbox@state.ma.us.

Carriers alternatively may create their own guide to meet the requirements of 211 CMR 152.06(2)(b). If a Carrier elects to create its own guide, the content of such guide must be substantially similar to the guide provided by the Division, and the text of such guide must be in at least 10-point typeset and be presented in a clear and easily understood manner. If a Carrier is using web-based applications, the Carrier may issue its guide electronically, provided that such guide is presented in a manner that is substantially similar to the guide provided by the Division, and that the text of such guide is in at least 10-point typeset and presented in a clear and easily understood manner.

Questions regarding this Bulletin may be directed to Nancy Schwartz, Director, Bureau of Managed Care at (617) 521-7347.

Limited, Regional and Tiered Network Plans: Choosing the Health Plan That's Right for You

Health Insurance & Provider Networks

Massachusetts health insurers now offer lower-cost health insurance plan options with limited, regional and tiered networks. This guide can help you get the information you need to understand these options and make an informed decision.

Many insurers have different health plans with different provider networks. A doctor or hospital may be in the provider network of one plan but not in another, *even though the same insurer sells both health plans.*

The provider network determines the doctors and hospitals the health plan will cover for non-emergency care. Some health plans will not cover services you receive from providers that are outside the network without approval, while others will have you pay higher out-of-pocket costs if you go out of network. Your choice of health plan and provider network will determine your premium and out-of-pocket costs. You may be able to save money on your premium if you choose a network with more limits on the doctors and hospitals that are covered.

It is important for you to know the provider network for any plan you are considering. Insurers have brand names for their plans and networks. Make sure you know the brand names so that you can find out if your provider is part of that specific plan. You can find the provider directory on the health insurer's website or you can ask for a paper copy of the directory. Also, use the directory to make sure that the particular location used by your provider is included in the network. Be sure to call the insurance carrier if you have any questions about whether a provider is in a network.

State law now requires insurers to label any limited network as:

- Limited Provider Network
- Regional Provider Network
- Tiered Provider Network

Remember, once you buy a health plan, **you cannot switch plans until it is up for renewal**, so think about your options and health care needs carefully.

Why Choose a Health Plan with a Limited Network?

Buying a product with some type of limited network allows you to have similar coverage and quality care at a cost that is lower than that of other plans offered by the same insurer.

What Does a Network's Size have to do with Cost?

Limited networks can lower health insurance premiums. They allow insurers to reduce costs by limiting the group of health care providers to those that offer quality care at lowers costs compared to higher-cost providers.

A provider or health care facility may leave a network or might be assigned to a different tier in a tiered provider network. Find out how often and when the network changes - and how you can check a provider's status.

Types of Provider Networks

You should know that all network plans licensed in Massachusetts have a full range of quality health services and providers. Choosing a limited network does not mean that you will have to settle for lower quality care. Insurers may offer plans that use a combination of the network designs described below, and it is important for you to read your plan description to learn the rules of each network.

General Provider Network Plans give you the widest choice of providers. This may be a good option for you if you are willing to pay more for a wider choice of providers.

Limited Provider Network Plans have a network that is smaller than the insurer's general network, but cost less. This may be a good option for you if the limited network includes the providers that you plan to use and you do not need the option to visit providers outside the network.

Regional Provider Network Plans have a network that is limited to a specific geographic region, and usually cost less than a general network. This may be a good option for you if you live or work in a region that the network covers and you do not need the option of visiting providers in other areas.

Tiered Provider Network Plans assign providers to different levels (tiers) based on the insurer's decision of the relative value of the provider's cost and quality. Your share of the cost will depend on the provider's tier. With this plan, you can save money by choosing providers in a lower-cost tier.

Choosing the Right Network: Key Questions to Ask	**General Network**	**Limited Network**	**Regional Network**	**Tiered Network**
Are the providers and facilities that you use listed in the insurer's network directory? *-The insurer will have a directory that lists the providers in each of its networks. Check to see that the hospital, primary care provider and specialists you want to see or might be referred to your provider are specifically listed for the services you use at the locations you want.*	√	√	√	√
Are you willing to change providers or facilities in order to pay a lower premium? *-If you are able to switch to providers that are in a limited network you may be able to get lower premiums. Remember that if you want to see a provider that is not listed in the network, you may need to pay higher out-of-pocket costs or you may not have coverage at all for those providers.*		√	√	√
Are you willing to limit yourself to providers and facilities near your home or work? *-If you don't need the option of traveling to hospitals in another area for your care, you may be able to get lower premiums. Remember that care at an out-of-network provider or hospital may not be covered, or you may need to pay more for your share.*		√	√	
Are you willing to choose a plan in which you pay more or less out of pocket depending on the tier to which your provider is assigned? *- Do you want a broad network, and are you willing to pay a larger share of the expense for some hospitals and doctors? Remember, this could end up being more than what you may save in premium.*				√

Important Things to Remember

Know the brand name of the network plan you choose – and be sure the providers you want are in that network plan.

Understand the ways your share of the costs can vary – co-payments, co-insurance or deductibles can be higher or lower depending on the provider and the tier the provider is in.