

STATE OF MAINE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
BUREAU OF INSURANCE

IN RE:	)	
	)	
MAINE COMMUNITY HEALTH	)	<b>NOTICE OF PENDING</b>
OPTIONS 2017 INDIVIDUAL RATE	)	<b>PROCEEDING AND PUBLIC</b>
FILING	)	<b>HEARING</b>
	)	
Docket No. INS-16-1002	)	

Superintendent of Insurance Eric Cioppa issues this Notice of Pending Proceeding and Public Hearing in the above-captioned matter.

I. PENDING PROCEEDING

Pursuant to 5 M.R.S. § 9052, 24-A M.R.S. § 230, and Insurance Rule Chapter 350, the Superintendent hereby gives notice that on May 10, 2016 Maine Community Health Options (“Health Options”) filed for approval of proposed revised rates for its individual health insurance products.<sup>1</sup> Health Options proposes to rate all of the above plans on a combined basis as a single risk pool. Health Options asserts that the proposed revised rates, calculated on a combined basis, will produce an average increase of 22.8%. As identified in the filing, the increase varies from 17.09% to 44.92% depending on deductible level and type of contract. As of the date of the filing, total in-force enrollment for Health Options’ individual products was approximately 58,750 individuals who will be affected by the proposed rate revisions. Health Options requests that its proposed rate revisions become effective on January 1, 2017.<sup>2</sup>

As part of its filing, Health Options further proposes to discontinue the “Preferred” individual health insurance product as a separate product, mapping members covered by that product to Health Options’ “Community Choice” product, and to make revisions to the plan design of its other individual products.

II. PUBLIC HEARING & PUBLIC COMMENTS

Pursuant to the authority granted in 24-A M.R.S. § 229 and the requirements of 24-A M.R.S. § 230, 5 M.R.S. § 9052, and Insurance Rule Chapter 350, the Superintendent hereby gives notice that he will hold a public hearing in the above-captioned matter beginning at

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<sup>1</sup> Health Options will offer the following individual products in 2017: Community Safe Harbor, Community Focus, Community Choice, Community Value, Community Edge, Community Reliant HAS, Community Align, Community Complete, Community Advance.

<sup>2</sup> Health Options’ filing is publicly available on the internet via the SERFF Filing Access system at <https://filingaccess.serff.com/sfa/home/ME>. The SERFF Tracking Number for the Health Options filing is MECH-130533890.

9:00 a.m. on July 26, 2016, in the Central Conference Room at the Department of Professional and Financial Regulation, Gardiner Annex, 76 Northern Avenue, Gardiner, Maine.

Members of the public are invited to attend the hearing and may offer sworn testimony or unsworn comments beginning at 9:00 a.m. on July 26. Further, written public comment may be provided for the Superintendent's consideration in this matter as follows:

By E-mail: Elena.I.Crowley@maine.gov

By U.S. Mail: Eric Cioppa, Superintendent  
Attn: Elena Crowley, Docket No. INS-16-1002  
Bureau of Insurance  
Maine Department of Professional and Financial Regulation  
#34 State House Station  
Augusta, Maine 04333-0034

All public comments will be made a part of the record of this proceeding. Only sworn testimony will be admitted into evidence. *See* 5 M.R.S. § 9057(3). The Superintendent will consider unsworn statements or comments for their persuasive value to the extent that they are relevant to facts in the record.

### III. PURPOSE

The purpose of this proceeding and the public hearing is for the Superintendent to consider: (1) whether Health Options' proposed revised rates meet the requirements that rates not be excessive, inadequate, or unfairly discriminatory as set forth in 24-A M.R.S. § 2736, and otherwise meet the requirements of the Maine Insurance Code and regulations promulgated thereunder; and (2) whether the changes in plan design, including the consolidation of the Community Preferred and Community Choice products, satisfy the guaranteed renewal requirements of 24-A M.R.S. § 2850-B(3).

### IV. PARTIES; INTERVENTION

As the applicant, Health Options is designated as a party to this proceeding.<sup>3</sup> All other persons wishing to intervene as parties in this proceeding shall file their applications in writing with the Superintendent no later than June 1, 2016. If granted party status, an intervenor may immediately commence discovery as provided in Section V below. Accordingly, the earlier a person becomes an intervenor, if the application is granted, the sooner discovery may commence.

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<sup>3</sup> Upon the issuance of this Hearing Notice, and in furtherance of his financial oversight of Health Options, the Superintendent has this day delegated certain specified Bureau staff and consultants to coordinate with Health Options regarding the rate development and plan design filed by Health Options for approval in this proceeding. The designated Bureau staff and consultants will act independently from the Superintendent on all matters relating to this proceeding, and will be subject to the *ex parte* communication prohibitions under 5 M.R.S. § 9055.

Applicants should either hand deliver their intervention applications to the attention of Elena Crowley at the offices of the Bureau of Insurance, 76 Northern Avenue, Gardiner, Maine or mail them to the Superintendent at the following address:

Eric Cioppa, Superintendent  
Attn: Elena Crowley, Docket No. INS-16-1002  
Bureau of Insurance  
Maine Department of Professional and Financial Regulation  
#34 State House Station  
Augusta, Maine 04333-0034

The Superintendent will grant late intervention applications only upon a compelling demonstration of good cause. Persons should seek intervention only if they are willing to undertake the responsibilities placed upon parties to an adjudicatory proceeding under Maine law and Insurance Rule Chapter 350.

An applicant claiming intervention as of right pursuant to 5 M.R.S. § 9054(1) shall include in the application a statement either explaining how the applicant is or may be, or is a member of a class that is or may be, substantially and directly affected by the proceeding or identifying the applicant as an agency of federal, state, or local government. Applications for permissive intervention pursuant to 5 M.R.S. § 9054(2) shall contain a statement explaining and substantiating the applicant's interest in the proceeding.

Any party that opposes an application for intervention shall file a statement in opposition with the Superintendent by June 1, 2016. The Superintendent in his discretion may rule on an intervention application at any time, without waiting for any statements in opposition.

#### V. DISCOVERY

Upon being designated or granted party status in this proceeding by the Superintendent, a party may immediately commence the issuance of information requests (*i.e.*, discovery). Discovery in this proceeding shall be as provided for by Insurance Rule Chapter 350(10), subject to modification by further order of the Superintendent.

#### VI. PROCEDURE

The Superintendent will conduct the proceeding and hearing in accordance with the provisions of the Maine Administrative Procedure Act, 5 M.R.S. chapter 375, subchapter 4; 24-A M.R.S. §§ 229 to 236; Insurance Rule Chapter 350; and any rulings of the Superintendent. All parties to the proceeding have the right to present evidence and witnesses at the hearing and have the right to be represented by counsel. Failure of any party to appear may result in disposition by default with respect to that party. The Superintendent, however, may set aside a default for good cause.

The Department of Professional and Financial Regulation does not discriminate on the basis of disability in the admission to, access to, or operation of its programs, services, or activities. Individuals in need of auxiliary aid for effective communication at the hearing are

invited to make their needs and preference known to Elena Crowley at the Bureau of Insurance, telephone 207-624-8421, sufficiently in advance of the hearing so that appropriate arrangements can be made.

May 16, 2016



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ERIC A. CIOPPA  
Superintendent of Insurance