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October 4, 2024

Ms. Arpita Dumra
Senior Regulatory Affairs Analyst
Freedom Life Insurance Company of America
300 Burnett Street Suite 200
Ft. Worth, TX 76102

Re: Freedom Life Insurance Company of America ("FLICA")
2023 Network Adequacy Access Plan

Dear Ms. Dumra:

The Maryland Insurance Administration ("Administration") has completed its review of the FLICA 2023 Network Adequacy Access Plan (the "FLICA 2023 Access Plan") filed on October 2, 2023, supplemented with additional information and documentation on December 7, 2023, January 8, 2024, February 1, 2024, May 2, 2024, May 6, 2024, June 17, 2024, and June 28, 2024. This filing was made pursuant to § 15-112(c)(2)(i) of the Insurance Article and COMAR 31.10.44.

The Administration's review of the FLICA 2023 Access Plan has found that the access standards in COMAR 31.10.44.05 and .06 were not met for the following, based on the data self-reported by FLICA. All other access standards in COMAR 31.10.44 were met.

Travel Distance Standards

In addition to the specific provider and facility types listed in the chart in COMAR 31.10.44.04A(5), FLICA reported separate travel distance metrics for 16 additional provider types, which, in previous reporting years, had been reported together under the categories "All Other licensed or certified providers under contract with a carrier not listed" and "All other licensed or certified facilities under contract with a carrier not listed." For the following facility type and geographic region, FLICA reported that less than 100% of enrollees had access to a participating provider with a practicing location within the applicable maximum travel distance standard:

Provider/Facility	Geographic Region	Percentage of Enrollees within Standard
Residential Crisis Services	Urban	0%

Additionally, of the 16 additional provider types that were listed together in previous years under the “All Others...” categories FLICA reported a deficiency for one provider type in at least one zip code.

FLICA provided certain information required by COMAR 31.10.44.09(A)(B) for the unmet travel distance standards described above. For the provider and facility types where FLICA reported a deficiency, the Administration determined that the carrier failed to provide sufficient information to demonstrate that the conditions necessary for the granting of a waiver as described in COMAR 31.10.44.09B were satisfied. The required waiver information was completely missing for the additional provider type that was listed together in previous years under the “All Other...” categories. However, the Administration notes that these deficiencies are related to new travel distance standards that were effective for the first time in 2023 under the revised network adequacy regulations. In Bulletin 23-8, issued on May 5, 2023, the Administration advised carriers that when reviewing the 2023 network access plan filings and evaluating compliance with the new standards, the Administration would take into consideration the fact that the reports were required to be filed shortly after the effective date of the revised regulations in determining deficiencies and the regulatory response to such deficiencies.

Consequently, the Administration has determined in its exercise of enforcement discretion, not to impose a penalty for these travel distance deficiencies. For Residential Crisis Services where FLICA reported a deficiency in at least one zip code for the FLICA 2023 access plan, the Administration considered that FLICA provided a detailed description of the steps it will take to address the deficiencies and achieve compliance for the 2024 access plan filings and demonstrated that all reasonable good faith efforts to comply with the standards were undertaken following adoption of the final regulations.

While the Administration determined that a penalty for failure to meet the travel distance standard and for the incomplete waiver information submission was not warranted for 2023, the Administration expects FLICA’s 2024 access plan to demonstrate significant improvement in compliance with the standard and in the quality of its waiver information. FLICA must specifically address each waiver template item in every zip code where there is an unmet standard. Statements that the nearest contracted provider or facility is within x miles of that standard may be included as an additional extenuation, but cannot substitute for documentation of search efforts to identify new recruitment targets.

Essential Community Provider Standards

The data self-reported by FLICA in its 2023 access plan showed that the essential community provider (ECP) inclusion standard of 30% for the category of Substance Use Disorder services in suburban and urban geographic areas were not met.

ECP Service Type	Standard	Urban Compliance Percentage	Suburban Compliance Percentage
Substance Use Disorder Services	30%	18.8%	16%

FLICA provided the information required by COMAR 31.10.44.09A for each unmet ECP inclusion standard described above. The Administration has considered the information provided by FLICA, and has determined that the carrier failed to provide sufficient information to demonstrate that the conditions necessary for the granting of a waiver as described in COMAR 31.10.44.09B were satisfied. However, FLICA provided information demonstrating that the failure to meet the ECP inclusion standard for 2023, after FLICA consistently reported exceeding the ECP standard in prior reporting years, was due to the regulatory changes to the definitions and methodologies for calculating the revised standard under the new network adequacy regulations. The drop in the reported compliance percentages was not caused by a proportional loss of previously contracted ECPs.

The Administration advised carriers in Bulletin 23-8 that the Administration would take into consideration the fact that the reports were required to be filed shortly after the effective date of the revised regulations in determining deficiencies and the regulatory response to such deficiencies. Consequently, the Administration has determined in its exercise of enforcement discretion, not to impose a penalty for the ECP inclusion standard for the FLICA 2023 Access Plans. Based on the information provided by FLICA, the Administration determined there was insufficient time between the finalization of the revised regulations and the due date of the 2023 access plan filings for FLICA to identify, recruit, credential, and contract with a sufficient number of ECPs necessary to meet the inclusion standard under the revised methodology. FLICA provided a description of the steps it will take to address the deficiencies and achieve compliance for the 2024 access plan filings and demonstrated that all reasonable good faith efforts to comply with the standards were undertaken following adoption of the final regulations.

Appointment Waiting Time Standards

The data self-reported by FLICA disclosed that the percentage of available in-person appointments meeting standard in the following service types was less than 90%:

Appointment / Service Type	Standard	% of Standard Met
Inpatient Urgent Care for Mental Health Services	72 hours	Report unavailable*
Inpatient Urgent Care for Substance Use Disorder Services	72 hours	Report unavailable*
Outpatient urgent care for mental health services	72 hours	68.4%

Appointment / Service Type	Standard	% of Standard Met
Outpatient urgent care for substance use disorder services	72 hours	72.4%
Non-urgent mental health care	10 calendar days	82.7%
Non-urgent substance use disorder care	10 calendar days	86.6%

*FLICA reported that it was unable to collect the data for the 2023 filing year because its vendor survey statement of work did not include surveying in network facilities for Inpatient Urgent Care Mental Health Services or Inpatient Urgent Care for Substance Use Disorder Services. To meet the requirement, FLICA reported that it designed an in-house survey to distribute to all participating facilities and the identified appropriate respondent. The subsequent deployment was completed in May 2024 and will be repeated in October 2024.

For the other appointment waiting time categories of Urgent Care for Medical Services, Routine Primary Care, Preventative Visit Care/Well Visit and Non-urgent Specialty Care, FLICA reports meeting the required 90% standard based on provider survey results. Supporting documentation, including provider survey results, were included in the 2023 FLICA access plans to validate the reported values.

FLICA provided the information required by COMAR 31.10.44.09A for each unmet appointment waiting time standard described above. The Administration has considered the information provided by FLICA, and has determined that the carrier failed to provide sufficient information to demonstrate that the conditions necessary for the granting of a waiver as described in COMAR 31.10.44.09B were satisfied. However, FLICA provided information demonstrating that the failure to meet the applicable waiting time standards was due to the regulatory changes in the methodology for measuring appointment waiting time, and insufficient time to address previously unidentified deficiencies for new categories of appointments. In accordance with Bulletin 23-8, the Administration has determined in its exercise of enforcement discretion, not to impose a penalty for the appointment waiting time deficiencies for 2023 for the following reasons:

- FLICA provided a detailed description of the steps it will take to address the deficiencies and achieve compliance for the 2024 access plan filings and demonstrated that all reasonable good faith efforts to comply with the standards were undertaken following adoption of the final regulations;
- The information submitted by FLICA in accordance with COMAR 31.10.44.09A, while not sufficient to justify a waiver of the standards, did demonstrate that the failure to meet the standards was partly caused by an insufficient number of in-person or hybrid services providers available to contract with FLICA;
- FLICA included a description of its efforts to locate additional in-person medical specialty providers, mental health, and substance use disorder providers using external

sources such as the public provider directories of other carriers, out of network claims data, and Maryland's Active Providers Directory.

This determination letter is limited to review of the FLICA 2023 Access Plan and is independent of the Administration's review of any other Network Adequacy Access Plans and submissions in connection thereof which are filed by FLICA. The enforcement discretion exercised for 2023 does not extend to access plan filings submitted for 2024, and the Administration expects to see significant improvement in compliance levels for the 2024 plans.

FLICA has the right to request a hearing on this determination letter in accordance with § 2-210 of the Insurance Article. A request for a hearing must be made in writing and received by the Administration within thirty (30) days of the date of this letter. The rules for requesting a hearing are set forth in COMAR 31.02.01.

Very truly yours,

Pam O'Brien

Pam O'Brien
Network Adequacy Analyst III
Mental Health Parity and Network Adequacy
Life and Health