

# Provider Bulletin

**Control Number:** PRB 08-08-02  
**Date:** August 22, 2008  
**Subject:** Mega Life and Health Insurance Company and MidWest Life  
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**Effective Date:** Immediately

As you know, Mega Life and Health Insurance Company and MidWest Life, a division of HealthMarkets, Inc., is a client of Beech Street and uses the First Choice Health PPO Network in Washington. HealthMarkets has reached a comprehensive settlement with state insurance regulators in a multi-state examination of its insurance subsidiaries including Mega Life. Mega Life's programs include what are typically referred to as Limited Benefit Plans that often have benefit limits, particularly for hospital services, and sometimes incur high out-of-pocket expenses for their insured's. Some of our providers have complained to First Choice Health that their patients were not always aware of their large out-of-pocket costs.

The HealthMarkets' settlement includes an outreach program to those insured by its companies prior to August 1, 2005 regarding their coverage, implementation of changes in the way the company interacts with its insured's, enhanced support and management of agents, periodic self reporting for the next 18 months, and a follow up examination to begin no later than July 2010.

The examination report acknowledges that the companies have already implemented extensive changes that have addressed many of the concerns raised by regulators and First Choice Health providers.

HealthMarkets has taken steps to ensure customers fully understand the products they purchase. These steps include complete and clearly stated product disclosures at the point of sale, and telephone calls placed to each new customer to verify their understanding of the product's benefits, costs and limitations.

First Choice Health is pleased to see HealthMarkets take these steps and we are hopeful they will lead to more clarity in the market. We will continue to work with the management staff of HealthMarkets and monitor their progress.

Please do not hesitate to contact First Choice Health if you have additional questions or concerns or continue to have problems with Mega Life and Health. You can contact Provider Relations by phone at (800) 231-6935 extension 2103 or via e-mail at [providerrelations@fchn.com](mailto:providerrelations@fchn.com).