



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
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Roger A. Seigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

**BULLETIN
Docket No.: INS 07-043-AB**

TO: All New Hampshire Licensed Health Insurance Companies, Health Maintenance Organizations, Fraternal Benefit Societies and Third Party Administrators

FROM: Roger A. Seigny
Insurance Commissioner

A handwritten signature in black ink, appearing to read "RAS", is positioned above the "FROM:" line.

DATE: April 02, 2007

RE: Collection of Deductibles in Advance of Service

A question has been raised as to whether a provider may collect a deductible from a member having a managed care product before service is rendered. This Bulletin is intended to clarify the requirements that must be met in order for a provider to collect a deductible in advance of providing service.

RSA 420-J:8 defines certain standards that must be contained in every contract between a health carrier and a participating provider. These standards generally require that the provider agree not to collect a deposit from or have recourse against a covered person for services provided under the agreement between the health carrier and the provider. However, RSA 420-J:8 (I) (a) does not prohibit the provider from "collecting coinsurance, deductibles, or copayments, as specifically provided in the evidence of coverage, or fees for uncovered services delivered on a fee-for-service basis to covered persons." The question presented is whether the collection of a deductible amount in advance of service constitutes the collection of a deposit, which would violate the statute, or the payment of a deductible, which is allowed under the statute.

It is the department's position that a deductible may be collected in advance of service only when the provider has actual knowledge that the member has not paid the deductible. Actual knowledge requires confirmation from the carrier of the amount of the

deductible that remains unpaid at the time the service is provided. A provider that does not have actual knowledge of the amount of the deductible owing at the time service is requested may not collect the deductible and later refund an over-collection. An over collection of the deductible will be deemed to violate the statutory provision that prohibits a provider from collecting a deposit from a member. Any contractual provision or other notice issued by a carrier that advises providers that they may collect deductibles without actual knowledge of the amount of the deductible then owing and later refund the over-collection shall be considered a violation of RSA 420-J:8.

Questions should be directed to Leslie Ludtke at the New Hampshire Insurance Department.