



BUREAU OF INSURANCE

June 7, 1999

**Administrative Letter 1999-6**

**TO: ALL MANAGED CARE HEALTH INSURANCE PLAN ("MCHIP")  
LICENSEES**

**RE: BUREAU OF INSURANCE, OFFICE OF THE MANAGED CARE  
OMBUDSMAN**

**IMMEDIATE ATTENTION REQUIRED.**  
**INFORMATION CONTAINED IN THIS LETTER IS NEEDED BY MCHIPs**  
**IN ORDER TO COMPLY WITH STATUTORY REQUIREMENTS**  
**EFFECTIVE JULY 1, 1999**

As many of you are aware, the 1999 Virginia General Assembly enacted, and Governor Gilmore signed House Bill 871/Senate Bill 1235. This legislation becomes law on July 1, 1999.

Among other things, these bills created a new position within the Bureau of Insurance, to be called the "Managed Care Ombudsman". The specific duties of the Managed Care Ombudsman are stated in new § 38.2-5909, but the primary purposes of this new position, as we see it, are:

1. To assist Virginia consumers covered under MCHIP products in understanding and exercising their rights of appeal of adverse decisions by MCHIPs; and
2. To engage in expanded consumer outreach efforts throughout the Commonwealth so that more Virginians are aware both of the existence of the Bureau and its Managed Care Ombudsman and of their rights of appeal of adverse decisions by MCHIPs.

The same legislation also provides for creation and administration by the Bureau of a process for "independent external review of adverse utilization review decisions".

However, the legislation provided for additional time for the State Corporation Commission to adopt regulations and put this process in place. This is not, therefore, the subject of this particular communication.

I am pleased to announce that the Bureau of Insurance has created within the Life and Health Division the Office of the Managed Care Ombudsman, and has put the initial staff of this office in place. I have named as Managed Care Ombudsman Mr. Thomas S. Bridenstine. Many of you may be familiar with Mr. Bridenstine, who was until recently the Supervisor, Managed Care Health Plans with the Virginia Department of Health's Center for Quality Health Care Services and Consumer Protection. Mr. Bridenstine comes to us with an impressive background in managed care and a strong working knowledge of the issues that will be addressed by his office. Additional professional staff has been moved from other areas of the Bureau's Life and Health Division, and will be ready to begin their duties when the new law takes effect on July 1, 1999.

I am sure that Mr. Bridenstine and members of his staff will be contacting many of you directly in an effort to obtain topical information. I ask that you provide him with the utmost cooperation.

In addition to introducing Mr. Bridenstine, the primary purpose of this administrative letter is to provide MCHIPs with the information they will be required to disseminate under the new law.

- § 32.1-137.6 will require that complaint forms and/or written procedures furnished to covered persons who wish to register written complaints include the mailing address, telephone number and e-mail address of the Managed Care Ombudsman.
- **[NOT REQUIRED UNTIL THE EXTERNAL REVIEW PROCESS IS IN PLACE]** § 32.1-137.15 will require that when an internal appeal results in a final adverse decision, the notification to the covered person of his or her right to appeal to the Bureau of Insurance must include the mailing address, telephone number and e-mail address of the Managed Care Ombudsman.
- § 38.2-5804 will require that the forms and/or procedures that MCHIPs must provide to covered persons for registering written complaints include the mailing address, telephone number and e-mail address of the Managed Care Ombudsman.

The information you will need to comply with these requirements of law is contained in the box on the following page.

<b>ADDRESS:</b>	<b>OFFICE OF THE MANAGED CARE OMBUDSMAN BUREAU OF INSURANCE P.O. BOX 1157 RICHMOND, VA 23218</b>
<b>TELEPHONE:</b>	<b><u>TOLL-FREE:</u> 1-877-310-6560</b>
	<b>(Note: This number is separate from the Bureau's existing toll-free number, and is exclusive to the Office of the Managed Care Ombudsman)</b>
	<b><u>RICHMOND METROPOLITAN AREA:</u> 804-371-9032</b>
<b>E-MAIL:</b>	<b>ombudsman@scc.state.va.us</b>
<b>WEB PAGE:</b>	<b>INFORMATION REGARDING THE OMBUDSMAN MAY BE FOUND BY ACCESSING THE STATE CORPORATION COMMISSION'S WEB PAGE AT:</b>
	<b><a href="http://www.state.va.us/scc">http://www.state.va.us/scc</a></b>

Mr. Bridenstine and his staff will officially assume their duties on July 1, 1999. We appreciate your patience during this transition period.

Cordially,

Alfred W. Gross  
Commissioner of Insurance

AWG/me