

MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 2340

H.P. 1703 House of Representatives, February 24, 1988
Reported by Representative MAHANY from the Committee on
Economic Development. Sent up for concurrence and ordered
printed. Approved by the Legislative Council on June 19, 1987.
Reference to the Committee on Economic Development
suggested and printing ordered under Joint Rule 19.
EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-EIGHT

1 **AN ACT to Promote Economic Development in the**
2 **State by Enhancing Employment**
3 **Opportunities for Maine People.**
4

5 Be it enacted by the People of the State of Maine as
6 follows:

7 **Sec. 1.** 5 MRS A §13056, sub-§6, ¶B, as enacted
8 by PL 1987, c. 534, Pt. A, §§17 and 19, is amended to
9 read:

1 B. Other community planning and development
2 assistance programs of the State Planning
3 Office; and

4 Sec. 2. 5 MRSA §13056, sub-§7, as enacted by PL
5 1987, c. 534, Pt. A, §§17 and 19, is amended to read:

6 7. Contract for services. When contracting for
7 services, the department, to the maximum extent
8 feasible, shall seek to use the State's private
9 sector resources in conducting studies, providing
10 services and preparing publications; and

11 Sec. 3. 5 MRSA §13056, sub-§8 is enacted to
12 read:

13 8. Enhance economic opportunities. In close
14 cooperation with the Department of Labor, work with
15 and inform the State's business entities, job training
16 organizations and labor recruitment organizations
17 about the employment benefit plans as defined in Title
18 22, section 3173-E and Title 24-A, section 2804-A, in
19 order to utilize economic opportunities in this
20 State. The office, in close cooperation with the
21 Department of Labor, shall also work closely with
22 other state agencies to facilitate the implementation
23 of these plans and to monitor the operation, costs and
24 impact of these plans upon the State's growth and
25 development, labor supply and job opportunities.

26 A. The office shall report its findings with
27 respect to the impact of these plans to the joint
28 standing committee of the Legislature having
29 jurisdiction over economic development no later
30 than February 1st of each year.

31 Sec. 4. 22 MRSA §3173-E, is enacted to read:

32 §3173-E. Extension of medical insurance benefits for
33 specific employment purposes

34 Any eligible Medicaid recipient who participates
35 in a job training program shall be eligible to
36 continue to receive medical insurance benefits for

1 that recipient and that recipient's dependents
2 throughout the job training program as long as the
3 recipient would otherwise remain eligible for these
4 benefits. In addition, any eligible Medicaid
5 recipient who is accepted for employment in a position
6 for which there are no medical insurance benefits for
7 a probationary or temporary period of time shall
8 continue to receive medical insurance benefits for
9 that recipient and that recipient's dependents
10 throughout this probationary or temporary period of
11 time.

12 1. Employment with no or limited medical
13 insurance benefits. In the event that an eligible
14 Medicaid recipient is accepted for employment with an
15 employer who provides no or limited medical insurance
16 benefits to employees and the wages or salaries
17 offered by the employer are insufficient as determined
18 by the commissioner to enable the employee to purchase
19 medical insurance benefits for the employee or that
20 employee's dependents, the employee shall continue to
21 receive medical insurance benefits for the employee
22 and the employee's dependents paid in whole or in part
23 by the program in this chapter.

24 A. The commissioner shall adopt rules in
25 accordance with the Maine Administrative Procedure
26 Act, Title 5, chapter 375, that establish
27 standards by which eligibility for the medical
28 insurance benefits is determined.

29 B. The commissioner may require the recipient to
30 contribute toward the payment of these medical
31 insurance benefits as determined by the household
32 income of the recipient and according to standards
33 established pursuant to paragraph A.

34 Sec. 5. 24-A MRS §2804-A, is enacted to read:

35 §2804-A. Special employee group

36 A group of individuals may be insured under a
37 policy pursuant to a contract between the
38 Superintendent of Insurance and an insurance company.

1 1. Eligibility. The group of individuals shall
2 consist of employees working full time or part time
3 for employers who do not provide medical or health
4 insurance to employees or their dependents.

5 A. The dependents of eligible employees may also
6 be insured under this policy.

7 2. Premiums. The premium for the policy shall be
8 paid from funds contributed by the insured employees.

9 A. In the event that the employee is an eligible
10 employee under Title 22, section 3173-E, the funds
11 necessary to provide insurance for the employee
12 and his dependents shall be paid by the Department
13 of Human Services.

14 3. Preexisting conditions. In the event that an
15 eligible employee is also an eligible Medicaid
16 recipient who is subject to requirements regarding
17 preexisting conditions with respect to medical
18 insurance coverage, the medical coverage shall
19 continue until the employee is fully eligible under
20 the group insurance plan provided under this section.
21 Any payments for treatments relating to preexisting
22 conditions of employees defined in this subsection
23 shall be paid from funds pursuant to Title 22, chapter
24 855.

25 STATEMENT OF FACT

26 This bill is a product of a study conducted by the
27 Joint Standing Committee on Economic Development with
28 respect to 14 regional economies located throughout
29 the State. The committee received considerable
30 testimony from many different people and organizations
31 located across the State with respect to the
32 inadequate supply of labor, both skilled and
33 unskilled. In some areas, the shortage is so acute
34 that business expansions and new businesses have been
35 "put on hold."

36 The committee found that many unemployed people
37 who are general assistance recipients or recipients of

1 other forms of state assistance want to work but are
2 discouraged from accepting employment because they
3 will not receive any medical insurance. Many
4 companies either provide no medical insurance benefits
5 or do not provide these benefits during a probationary
6 period. As a result, the State's labor force is very
7 adversely affected which also creates serious impacts
8 on business growth and development.

9 The committee also found that many hardworking
10 Maine citizens work for employers who do not provide
11 medical insurance to their employees or their
12 dependents. Many of these firms are very small with
13 only a few employees. In many of these cases,
14 employees cannot afford individual medical insurance
15 policies and thereby are not insured. As medical and
16 hospital bills force some of these employees into
17 poverty and thereby into social-welfare programs,
18 these employees are discouraged from entering into
19 employment with firms providing no medical insurance
20 to employees.

21 This bill proposes to allow eligible Medicaid
22 recipients to continue to receive medical insurance
23 benefits under the Medicaid programs while
24 participating in job training programs and during
25 probationary periods with employers. In addition,
26 this bill proposes to establish a medical insurance
27 group composed of persons working full time or part
28 time for employers who do not provide medical
29 insurance coverage to employees or their dependents.
30 The Superintendent of Insurance will negotiate with a
31 private firm to provide a group plan, the premium of
32 which will be paid from funds provided by employees
33 purchasing this insurance.

34 By insuring the State's work force, this bill will
35 not only significantly reduce social-welfare costs to
36 the State over the long run, it will have a very
37 positive impact upon the economy and the morale of its
38 labor force.

39 The Department of Economic and Community
40 Development and the Department of Labor will inform
41 businesses, labor recruitment organizations and job

1 training organizations about these programs. In
2 addition, the Office of Business Development and the
3 Department of Labor shall monitor the implementation
4 of these programs to determine their impact upon the
5 State's economy and labor supply. These agencies will
6 report their findings annually before February 1st to
7 the Joint Standing Committee on Economic Development.

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