

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 1977

H.P. 1425

House of Representatives, December 18, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Received by the Clerk of the House on December 18, 1989. Referred to the Committee on Banking and Insurance and 1600 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative RYDELL of Brunswick.

Cosponsored by Speaker MARTIN of Eagle Lake, Representative DONALD of Buxton and Senator KANY of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

An Act to Extend and Amend the Authorization for the Maine High-Risk Insurance Organization.

(EMERGENCY)



Emergency preamble. Whereas, Acts of the Legislature do not
2 become effective until 90 days after adjournment unless enacted
as emergencies; and

4
Whereas, the funding of premium subsidies for the Maine
6 High-Risk Insurance Organization lapsed at the end of fiscal year
1988-89; and

8
Whereas, the organization provides vital services to
10 eligible persons; and

12
Whereas, in the judgment of the Legislature, these facts
14 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
16 necessary for the preservation of the public peace, health and
safety; now, therefore,

18 **Be it enacted by the People of the State of Maine as follows:**

20 **Sec. 1. 24-A MRSA §6058, sub-§1, as enacted by PL 1987, c.**
22 **542, Pt. H, §5, is amended to read:**

24 **1. General benefits.** The organization shall offer major
26 medical expense coverage to every eligible person, except that no
more than 300 600 people may be enrolled at any one time without
28 prior legislative approval. Major medical expense coverage
offered by the organization shall pay an eligible and enrolled
30 person's covered expenses, ~~subject to limits on the deductible~~
~~and coinsurance payments authorized in subsection 3~~ up to a
lifetime limit of not less than \$500,000 a covered individual.

32 The coverage offered by the organization shall not be less than
34 the benefits in a standard group plan and shall include:

36 A. All benefits required by state law with respect to group
health policies subject to chapter 35;

38 B. Alternative care; and

40 C. Managed care, as defined by the board.

42 **Sec. 2. 24-A MRSA §6058, sub-§3, as enacted by PL 1987, c.**
44 **542, Pt. H, §5, is repealed.**

46 **Sec. 3. 24-A MRSA §6059, sub-§§2 and 3, as enacted by PL 1987,**
c. 542, Pt. H, §5, are repealed.

48 **Sec. 4. 24-A MRSA §6059, sub-§4, as enacted by PL 1987, c.**
50 **542, Pt. H, §5, is amended to read:**

52 **4. Premium subsidy.** The board shall make available a plan
to subsidize premiums for those individuals who have been denied

2 health insurance because of a health condition and who meet
3 income eligibility requirements set by the board. ~~The subsidy~~
4 ~~plan to be paid from the General Fund shall not exceed \$50,000 in~~
~~costs during the first 2 years of operation.~~

6 ~~No subsidy may be given to a person if the premium amount, after~~
~~deducting the subsidy, is less than the premium of any comparable~~
8 ~~individual health insurance policy currently available to that~~
~~person in the State.~~

10 The board shall relate the experience of the subsidy plan to the
12 Legislature in the annual report and shall make recommendations
14 regarding the subsidy plan.

16 **Sec. 5. 24-A MRS §6061, first ¶,** as enacted by PL 1987, c.
542, Pt. H, §5, is amended to read:

18 Unless continued or modified by law, the organization shall
19 cease enrollments and renewals of participants no later than June
20 30, 1991 1992, and shall be subject to review by the joint
21 standing committees of the Legislature having jurisdiction over
22 audit and program review and banking and insurance.

24 **Sec. 6. Appropriation.** The following funds are appropriated
25 from the General Fund to carry out the purposes of this Act.

	1989-90	1990-91
28 PROFESSIONAL AND FINANCIAL		
30 REGULATION, DEPARTMENT OF		
32 Maine High-Risk Insurance		
34 Organization		
36 All Other	\$25,000	\$50,000
38 Provides funds to subsidize		
39 the premium payments of		
40 low-income program enrollees.		

42 **Emergency clause.** In view of the emergency cited in the
preamble, this Act shall take effect when approved.

44 **STATEMENT OF FACT**

46 This bill extends the authority for operating the Maine
48 High-Risk Insurance Organization until June 30, 1992. In
addition, language governing program enrollment caps, premiums,
50 subsidy structures, and benefits are amended to make the program
more accessible to moderate and low-income individuals with

2 high-risk medical conditions. This bill also authorizes the appropriation of funds to subsidize the premium payments of low-income program enrollees.