

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 790

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H.P. 599

House of Representatives, February 4, 1997

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### An Act to Provide Health Insurance Coverage to Children in Maine.

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Reference to the Committee on Health and Human Services and the Committee on Taxation suggested and ordered printed pursuant to Joint Rule 308.3.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative WINN of Glenburn.  
Cosponsored by Representatives: CHIZMAR of Lisbon, KONTOS of Windham, MAYO of Bath, PERRY of Bangor, Senator: CLEVELAND of Androscoggin.

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

2  
4       **Sec. 1. 22 MRSA §3174-G, sub-§1**, as enacted by PL 1989, c. 502, Pt. A, §72, is amended to read:

6       **1. Delivery of services.** The department shall provide for  
8 the delivery of federally approved Medicaid services to qualified  
10 pregnant women up to 60 days following delivery ~~and infants up to~~  
12 ~~one-year-of-age~~ when the woman's ~~ex-child's~~ family income is  
14 below 185% of the nonfarm income official poverty line ~~and~~  
16 ~~children under 5 years of age and;~~ to qualified elderly and  
18 disabled persons, when the child's-~~ex~~ person's family income is  
20 below 100% of the nonfarm income official poverty line; and to  
22 children under 19 years of age when the child's family income is  
24 below 150% of the nonfarm income official poverty line subject to  
26 subsection 4. The official poverty line shall ~~must~~ be that  
28 applicable to a family of the size involved, as defined by the  
30 Federal Office of Management and Budget and revised annually in  
32 accordance with the United States Omnibus Budget Reconciliation  
34 Act of 1981, Section 673, Subsection 2. These services shall ~~be~~  
36 are effective October 1, 1988.

22       **Sec. 2. 22 MRSA §3174-G, sub-§4** is enacted to read:

24       **4. Children; managed care.** The department shall provide  
26 services to children under 19 years of age under this section  
28 through a managed care system. If the child's family income is  
30 below 100% to 150% of the nonfarm income official poverty line,  
32 then the department shall provide the services under subsection 1  
34 according to a sliding scale and using a system of copayments  
36 established by routine technical rules adopted by the department  
pursuant to Title 5, chapter 375, subchapter II-A.  
Notwithstanding this section, if a parent or legal custodian is  
eligible to obtain coverage for a child under 19 years of age,  
then the child is ineligible for services under this section.

36       **Sec. 3. 36 MRSA §4365, first ¶**, as amended by PL 1989, c. 588,  
38 Pt. D, §1, is further amended to read:

40       A tax is imposed on all cigarettes held in this State by any  
42 person for sale, the tax to be at the rate of 15.5 mills for each  
44 cigarette beginning October 1, 1989; 16.5 mills for each  
46 cigarette beginning January 1, 1991; and 18.5 mills for each  
48 cigarette beginning July 1, 1991; and 19 mills for each cigarette  
50 beginning October 1, 1997. Payment of the tax shall ~~must~~ be  
evidenced by the affixing of stamps to the packages containing  
the cigarettes. If a federal program similar to that provided in  
Title 22, section 3185, becomes effective, this tax is reduced by  
one mill for each cigarette. The Governor shall determine by  
proclamation when the federal program has become effective.  
Nothing contained in this chapter shall ~~may~~ be construed to

2 impose a tax on any transaction, the taxation of which by this  
State is prohibited by the Constitution of the United States.

4 **Sec. 4. 36 MRSA §4365-D** is enacted to read:

6 **§4365-D. Rate of tax after October 1, 1997**

8 Cigarettes that have been stamped at the rate of 18.5 mills  
10 for each cigarette that is held for resale by any person after  
12 October 1, 1997 are subject to tax at the rate of 19 mills for  
14 each cigarette.

16 Any person holding cigarettes for resale is liable for the  
18 difference between the 19 mills for each cigarette tax rate and  
20 the 18.5 mills for each cigarette tax rate in effect prior to  
22 October 1, 1997. Stamps evidencing payment of the tax imposed by  
24 this section must be affixed to all packages of cigarettes held  
26 as of October 1, 1997 for resale, except that cigarettes held in  
28 vending machines as of October 1, 1997 need not be so stamped.

30 Notwithstanding any other provision of this chapter, it is  
32 presumed that all cigarette vending machines are filled to  
34 capacity on October 1, 1997 and the tax imposed by this section  
36 must be reported on that basis. A credit against this inventory  
38 tax is allowed for cigarettes stamped at the 19-mill rate placed  
40 in vending machines before October 1, 1997.

42 Payment of the tax imposed by this section must be made to  
44 the State Tax Assessor before November 15, 1997 and it must be  
accompanied by forms prescribed by the State Tax Assessor.

32 **SUMMARY**

34 This bill extends Medicaid coverage to children under 19  
36 years of age whose family income is below 150% of the nonfarm  
38 income poverty line with a system of copayments and a sliding  
40 scale for services if the percentage is between 150% and 100%.  
42 It provides that all Medicaid to children is through managed  
44 care. The bill further provides that a child is ineligible for  
the coverage if a parent or guardian is eligible to procure other  
coverage for the child. This Medicaid expansion is funded  
through a .5 mill increase in the cigarette tax.