

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1397

H.P. 976

House of Representatives, April 2, 2009

An Act To Allow Efficient Health Insurance Coverage

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative PRIEST of Brunswick. (GOVERNOR'S BILL)
Cosponsored by Senator BOWMAN of York and
Representatives: BEAUDOIN of Biddeford, FOSSEL of Alna, GOODE of Bangor,
RICHARDSON of Warren.

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

2 **Sec. 1. 24-A MRSA §4303, sub-§1**, as amended by PL 2007, c. 199, Pt. B, §5, is
3 further amended to read:

4 **1. Demonstration of adequate access to providers.** Except as provided in
5 ~~paragraph~~ paragraphs A, B and C, a carrier offering or renewing a managed care plan
6 shall provide to its members reasonable access to health care services in accordance with
7 standards developed by rule by the superintendent. These standards must consider the
8 geographical and transportation problems in rural areas. All managed care plans
9 covering residents of this State must provide reasonable access to providers consistent
10 with the access-to-services requirements of any applicable bureau rule.

11 A. Upon approval of the superintendent, a carrier may offer a health plan that
12 includes financial provisions designed to encourage members to use designated
13 providers in a network if:

14 (1) The entire network meets overall access standards pursuant to Bureau of
15 Insurance Rule Chapter 850;

16 (2) The health plan is consistent with product design guidelines for Bureau of
17 Insurance Rule Chapter 750;

18 (3) The health plan does not include financial provisions designed to encourage
19 members to use designated providers of primary, preventive, maternity,
20 obstetrical, ancillary or emergency care services, as defined in Bureau of
21 Insurance Rule Chapter 850;

22 (4) The financial provisions may apply to all of the enrollees covered under the
23 carrier's health plan;

24 (5) The carrier establishes to the satisfaction of the superintendent that the
25 financial provisions permit the provision of better quality services and the quality
26 improvements either significantly outweigh any detrimental impact to covered
27 persons forced to travel longer distances to access services, or the carrier has
28 taken steps to effectively mitigate any detrimental impact associated with
29 requiring covered persons to travel longer distances to access services. The
30 superintendent may consult with other state entities, including the Department of
31 Health and Human Services, Bureau of Health and the Maine Quality Forum
32 established in section 6951, to determine whether the carrier has met the
33 requirements of this subparagraph. The superintendent shall provisionally adopt
34 rules by January 1, 2004 regarding the criteria used by the superintendent to
35 determine whether the carrier meets the quality requirements of this subparagraph
36 and present those rules for legislative review during the Second Regular Session
37 of the 121st Legislature; and

38 (6) The financial provisions may not permit travel at a distance that exceeds the
39 standards established in Bureau of Insurance Rule Chapter 850 for mileage and
40 travel time by 100%.

41 This paragraph takes effect January 1, 2004 and is repealed July 1, 2009.

1 B. Upon approval of the superintendent, a carrier may offer a health plan that
2 includes financial provisions designed to encourage members to use designated
3 providers in a network if:

4 (1) The entire network meets overall access standards pursuant to Bureau of
5 Insurance Rule Chapter 850;

6 (2) The health plan is consistent with product design guidelines for Bureau of
7 Insurance Rule Chapter 750;

8 (3) The health plan does not include financial provisions designed to encourage
9 members to use designated providers of primary, preventive, maternity,
10 obstetrical, ancillary or emergency care services, as defined in Bureau of
11 Insurance Rule Chapter 850;

12 (4) The financial provisions may apply to all of the enrollees covered under the
13 carrier's health plan;

14 (5) The carrier establishes to the satisfaction of the superintendent that the
15 financial provisions permit the provision of better quality services and the quality
16 improvements either significantly outweigh any detrimental impact to covered
17 persons forced to travel longer distances to access services, or the carrier has
18 taken steps to effectively mitigate any detrimental impact associated with
19 requiring covered persons to travel longer distances to access services. The
20 superintendent may consult with other state entities, including the Department of
21 Health and Human Services, Bureau of Health and the Maine Quality Forum
22 established in section 6951, to determine whether the carrier has met the
23 requirements of this subparagraph. The superintendent shall adopt rules regarding
24 the criteria used by the superintendent to determine whether the carrier meets the
25 quality requirements of this subparagraph; and

26 (6) The financial provisions may not permit travel at a distance that exceeds the
27 standards established in Bureau of Insurance Rule Chapter 850 for mileage and
28 travel time by 100%.

29 C. Notwithstanding paragraph B, a carrier may develop and file with the
30 superintendent for approval a pilot program that allows carriers to reward providers
31 for quality and efficiency through tiered benefit networks and providing incentives to
32 members. The upper tier, or the upper tiers if there are 3 or more tiers, under a pilot
33 program approved pursuant to this paragraph is exempt from geographic access
34 requirements set forth in this Title or in rules adopted by the superintendent. Any
35 carrier offering a health plan under the pilot program must collect data on the impact
36 of the pilot program on premiums paid by enrollees, payments made to providers,
37 quality of care received and access to health care services by individuals enrolled in
38 health plans under the pilot program and must submit that data annually to the
39 superintendent. The superintendent shall report annually beginning January 15, 2010
40 to the joint standing committee of the Legislature having jurisdiction over insurance
41 and financial services matters on any approval of a pilot program pursuant to this
42 paragraph.

43 The basis for tiering benefits under a pilot program must be to provide incentives for
44 higher-quality care, improved patient safety or improved efficiency or a combination

1 of those factors. The superintendent shall consult with the Maine Quality Forum
2 under section 6951 in assessing quality. The superintendent shall disapprove or
3 withdraw approval of a pilot program if the superintendent finds that approval or
4 continued operation would cause undue hardship to enrollees in the pilot program or
5 reduce their quality of care.

6 The superintendent shall consider the experience of approved pilot programs,
7 including consumer complaints and examinations, provider behavior and efficiency,
8 in determining whether or not to reapprove subsequent pilot program applications.

9 **SUMMARY**

10 This bill allows carriers to include financial incentives to members to use designated
11 providers and gives the Superintendent of Insurance the authority to approve a financial
12 incentive pilot program similar to the pilot program used by the State Employee Health
13 Plan that allows companies to offer products in which consumers can choose to travel
14 further for improved quality, patient safety and efficiency without adversely affecting
15 quality of care. This bill also enacts again language that is scheduled to be repealed July
16 1, 2009 regarding limits, including geographic access requirements, on the incentives
17 used by health plans to encourage in-network designated providers.