

# MAINE STATE LEGISLATURE

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(Filing No. S-441)

**HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE**

**SENATE**

**129TH LEGISLATURE**

**SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 755, L.D. 2110, Bill, "An Act To Lower Health Care Costs"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 3 MRSA c. 39 is enacted to read:

**CHAPTER 39**

**OFFICE OF AFFORDABLE HEALTH CARE**

**§1021. Definitions**

**1. Advisory council.** "Advisory council" means the Advisory Council on Affordable Health Care established in Title 5, §12004-I, subsection 31-B.

**2. Director.** "Director" means the director of the office.

**3. Legislative oversight committee.** "Legislative oversight committee" means the joint standing committee of the Legislature having jurisdiction over health coverage matters.

**4. Office.** "Office" means the Office of Affordable Health Care established in section 1022, subsection 1.

**§1022. Office of Affordable Health Care**

**1. Office established.** The Office of Affordable Health Care is established for the purpose of analyzing health care costs in this State in accordance with the duties set forth in this chapter and as provided in this section.

**2. Director; appointment.** The Legislative Council shall appoint by an affirmative vote of 8 members of the Legislative Council a nonpartisan director for the purposes set forth in this chapter. The director must be appointed to an initial 5-year term, which is subject to renewal by the Legislative Council every 5 years thereafter. During the term of

**COMMITTEE AMENDMENT**

1 the contract, the director may be terminated only for cause by an affirmative vote of 8  
2 members of the Legislative Council. The Legislative Council shall establish the  
3 compensation of the director.

4 **3. Duties.** The office's duties must be performed independently and in a nonpartisan  
5 manner but under the general policy direction of the legislative oversight committee and  
6 the advisory council. The office shall report at least annually to the legislative oversight  
7 committee pursuant to section 1025 and upon request of the legislative oversight  
8 committee on matters affecting the cost of health care in this State. The office shall, at a  
9 minimum, use data available from the Maine Health Data Organization, established  
10 pursuant to Title 22, chapter 1683, and the Maine Quality Forum, established in Title  
11 24-A, section 6951, to:

12 A. Analyze health care cost growth trends and correlation to the quality of health  
13 care;

14 B. Analyze health care spending trends by consumer categories payer type, provider  
15 categories, or any other measurement that presents available data in a manner that  
16 may assist the legislative oversight committee in understanding health care cost  
17 drivers, health care quality and utilization trends, consumer experience with the  
18 health care system or any other aspect of the health care system;

19 C. Monitor the adoption of alternative payment methods in this State and other states  
20 that foster innovative health care delivery and payment models to reduce health care  
21 cost growth and improve the quality of health care;

22 D. Based upon the data obtained and the analysis pursuant to paragraphs A to C,  
23 develop proposals for consideration by the legislative oversight committee on  
24 potential methods to improve the cost-efficient provision of high-quality health care  
25 to the residents of this State;

26 E. Develop proposals for consideration by the legislative oversight committee on  
27 potential methods to improve consumer experience with the health care system,  
28 including the provision of a consumer advocacy function on health care matters not  
29 addressed by the Health Insurance Consumer Assistance Program established in Title  
30 24-A, section 4326 or the Department of Professional and Financial Regulation,  
31 Bureau of Insurance, Consumer Health Care Division established in Title 24-A,  
32 section 4321; and

33 F. Provide staffing assistance to the Maine Prescription Drug Affordability Board  
34 established in Title 5, chapter 167, at the request of the board and with the approval  
35 of the Legislative Council.

36 **4. Data; confidentiality.** Data provided to the office under subsection 3 is  
37 confidential to the same extent it is confidential while in the custody of the entity that  
38 provided the data to the office.

39 **5. Supervision; employees.** The director shall supervise the staff of the office in  
40 accordance with policies adopted by the legislative oversight committee and consistent  
41 with the policies of the Legislative Council. The director shall prepare and present a  
42 biennial budget to the Legislative Council for its approval. Employees of the office must  
43 be nonpartisan. Employees of the office are employed by and are responsible to the

1 director, who shall hire and fix the compensation of each employee, subject to the  
2 approval of the Legislative Council and within resources available in the biennial budget.

3 6. Coordination with other entities. The director may contract with individuals or  
4 entities and may seek assistance and coordinate efforts in accordance with this chapter  
5 with other agencies or divisions of State Government and with other entities as long as  
6 the contract, assistance or coordination does not present a conflict of interest. For the  
7 purposes of this subsection, "conflict of interest" means an association, including a  
8 financial or personal association, that has the potential to bias or have the appearance of  
9 biasing the office's decisions or the conduct of the office's activities.

10 **§1023. Advisory Council on Affordable Health Care**

11 The Advisory Council on Affordable Health Care, established in Title 5, section  
12 12004-I, subsection 31-B, is an advisory council to the office on matters affecting the cost  
13 of health care in this State.

14 1. Duties of advisory council. The advisory council shall advise the office on  
15 matters affecting the cost of health care in this State.

16 2. Membership. The advisory council consists of 10 members as follows:

17 A. Eight members of the advisory council appointed as follows, subject to review by  
18 the legislative oversight committee and confirmation by the Senate:

19 (1) Four members appointed by the President of the Senate, including one  
20 member who represents hospital interests, one member who represents primary  
21 care provider interests, one member who represents the interests of older  
22 residents of this State and one member who represents a health care consumer  
23 advocacy organization; and

24 (2) Four members appointed by the Speaker of the House, including one member  
25 who represents health insurance interests, one member who represents purchasers  
26 of health care, one member with demonstrated expertise in health care delivery,  
27 health care management at a senior level or health care finance and  
28 administration and one member who represents the health care workforce; and

29 B. At the invitation of the President of the Senate and the Speaker of the House, 2 ex  
30 officio nonvoting members:

31 (1) The Commissioner of Health and Human Services or the commissioner's  
32 designee; and

33 (2) The Commissioner of Administrative and Financial Services or the  
34 commissioner's designee.

35 3. Terms of office. Appointed members of the advisory council serve 5-year terms  
36 and may be reappointed. A vacancy for an unexpired term must be filled in accordance  
37 with subsection 2, paragraph A or B. A member may serve until a replacement is  
38 appointed and qualified.

39 4. Chair; vice-chair. The advisory council shall annually elect a chair and a vice-  
40 chair from among its members.



1 appropriate public health infrastructure throughout the State and how to develop the most  
2 effective consumer resource for health care issues that extend beyond access to health  
3 insurance coverage.

4 **Sec. 4. Staggered terms; Advisory Council on Affordable Health Care.**  
5 Notwithstanding the Maine Revised Statutes, Title 3, section 1023, subsection 3, of the  
6 members initially appointed to the Advisory Council on Affordable Health Care, 3  
7 members must be appointed to serve initial terms of 2 years, 3 members must be  
8 appointed to serve initial terms of 3 years and 2 members must be appointed to serve  
9 initial terms of 4 years.

10 **Sec. 5. Appropriations and allocations.** The following appropriations and  
11 allocations are made.

12 **OFFICE OF AFFORDABLE HEALTH CARE**

13 **Office of Affordable Health Care N344**

14 Initiative: Appropriates funds for the costs of one Director, Office of Affordable Health  
15 Care position and one Legislative Analyst position within the new Office of Affordable  
16 Health Care beginning August 1, 2020.

17	<b>GENERAL FUND</b>	<b>2019-20</b>	<b>2020-21</b>
18	POSITIONS - LEGISLATIVE COUNT	0.000	2.000
19	Personal Services	\$0	\$221,560
20	All Other	\$0	\$20,000
21			
22	<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$241,560</b>
23			

24 **SUMMARY**

25 This amendment replaces the bill. The amendment establishes the Office of  
26 Affordable Health Care within the Legislature. The office is charged with analyzing data  
27 from the Maine Health Data Organization and the Maine Quality Forum and making  
28 recommendations to the joint standing committee of the Legislature having jurisdiction  
29 over health coverage matters on methods to improve the cost-efficient provision of high-  
30 quality health care to the residents of this State. The office is required to hold an annual  
31 public hearing on cost trends no later than October 1st annually at which the public may  
32 comment on health care cost trends. The office is required to submit an annual report.

33 The office is independent and nonpartisan, and the legislative committee and an  
34 advisory council provide advice on matters affecting health care costs in the State. The  
35 advisory council consists of 8 appointed members, including a member who represents  
36 hospital interests, a member who represents primary care provider interests, a member  
37 who represents a health care consumer advocacy organization, a member who represents  
38 health insurance interests, a member who represents purchasers of health care, a member  
39 who represents the health care workforce, a member who represents the interests of older  
40 residents of this State and a member with demonstrated expertise in health care delivery,  
41 health care management at a senior level or health care finance and administration. The

COMMITTEE AMENDMENT "A" to S.P. 755, L.D. 2110

1 Commissioner of Administrative and Financial Services and the Commissioner of Health  
2 and Human Services are ex officio members of the advisory council.

3 **FISCAL NOTE REQUIRED**

4 **(See attached)**



# 129th MAINE LEGISLATURE

LD 2110

LR 2890(02)

## An Act To Lower Health Care Costs

Fiscal Note for Bill as Amended by Committee Amendment *A" (S-441)*  
Committee: Health Coverage, Insurance and Financial Services  
Fiscal Note Required: Yes

### Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$241,560	\$255,785	\$264,813
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$241,560	\$255,785	\$264,813

#### Fiscal Detail and Notes

Provides an appropriation of \$241,560 in fiscal year 2020-21 for the costs of one Director, Office of Affordable Health Care position and one Legislative Analyst position within the newly created Office of Affordable Health Care beginning August 1, 2020.

Any additional costs to the Department of Health and Human Services and the Department of Administrative and Financial Services to serve on the Advisory Council are expected to be minor and can be absorbed within existing budgeted resources.