

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 1525

H. P. 1055

House of Representatives, March 8, 1967

Referred to Committee on State Government. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Bradstreet of Newport.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Providing for the Administration of a Major Medical Insurance Program for State Employees.

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

R. S., T. 5, c. 101, sub-c. VI-A, additional. Chapter 101 of Title 5 of the Revised Statutes is amended by adding a new subchapter VI-A, to read as follows:

SUBCHAPTER VI-A

MAJOR MEDICAL INSURANCE

§ 1161. Major medical insurance for state employees

Group major medical insurance sometimes referred to as extended benefits insurance shall be available to state employees, subject to the following provisions:

1. **Eligibility.** Each appointive officer or employee of the State of Maine eligible for membership in the Maine State Retirement System or the State Police Retirement System shall come within the purview of this section.

2. **Amount.** Each state employee to whom this section applies shall be eligible to be insured for group major medical insurance. Such insurance shall become effective after the exhaustion of the basic benefits provided for in the state employees group hospital and surgical health insurance plan. It shall contain a \$100 deductible feature and shall reimburse the employee for moneys expended for hospital and surgical services up to a maximum of \$10,000 per medical incident occurring while an employee of this State. The board of trustees shall add such additional provisions thereto as it shall consider usual to

such group policies in order to amplify and give effect to the intent and purpose of this section.

3. Employee automatically insured; procedure if desire not to be insured. All employees eligible under this section will be automatically insured commencing on the date they shall first become so eligible. Any employee desiring not to be insured shall on appropriate form, give written notice to his employing officer that he desires not to be insured. If such notice is received before the employee shall have become insured under such policy, he shall not be so insured. If it is received after he shall become insured, his insurance under the policy will cease, effective with the end of the pay period during which the notice is received by the employing officer. Any person desiring not to be insured may subsequently apply for insurance, but may be required to produce evidence of insurability at his own expense and in accordance with the requirements of the board of trustees.

4. Payroll deduction. During any period in which an employee is insured in conformity with this section, there shall be withheld by payroll deduction or deductions an amount equal to his share of the cost of such insurance. The manner in which such deductions shall be made shall be determined by the board of trustees.

5. Purchase of policies. The board of trustees is authorized to purchase from one or more insurance companies a policy of policies of group major medical or extended benefits insurance to provide the benefits specified by this section. Such company of companies must be licensed under the laws of the State of Maine. The initial premium rate shall be the minimum rate permitted an insurance company authorized to do business in all states. The policy provisions shall be subject to and as provided for by the insurance laws of this State.

6. Master policy and certificates. The insurance company shall furnish the usual master policy and certificates. Each insured employee shall receive a certificate setting forth the benefits to which he is entitled, to whom payable, to whom claims shall be submitted, and summarizing the provisions of the policy principally affecting the employee.

§ 1162. Administration

1. Board of trustees; regulations. The board of trustees shall administer this group insurance program and except as otherwise provided is authorized to promulgate and publish such regulations as may be necessary and proper to give effect to the intent, purposes and provisions of this subchapter.

2. Selection of insurance company. The board of trustees shall select an insurance company as the result of competitive bidding.

3. The insurance provided by this subchapter and the withholding for that purpose shall become effective when directed by the board.