

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1523

S. P. 470

In Senate, March 19, 1973

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Conley of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

**AN ACT Establishing a Comprehensive Health Insurance
Program for the State of Maine.**

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

Sec. 1. R. S., T. 22, c. 415, additional. Title 22 of the Revised Statutes is amended by adding a new chapter 415 to read as follows:

CHAPTER 415

COMPREHENSIVE HEALTH INSURANCE PROGRAM

§ 2080. Commission

There shall be a Health Insurance Commission, hereinafter in this chapter called the "commission," which shall administer the health insurance program established by this chapter. The commission shall be composed of 5 members to be appointed by the Governor. At least 2 of said members shall be consumers of health services, and at least 3 of the 5 members shall not be officers or employees of, nor bear any fiduciary relationship to any person or institution providing health care service by any person, business, corporation or institution providing, selling or in any way having any involvement in the writing, selling or provision of insurance. Members of the commission shall serve for 5 years, except that a member appointed to fill a vacancy occurring during the term for which his predecessor was appointed shall be appointed for the remainder of the term only, and the terms of office of the members first appointed shall expire, as designated by the Governor, one at the end of 2 years, 2 at the end of 3 years, and 2 at the end of 5 years. Any member who has served for 2 consecutive 5-year terms shall not be eligible for reappointment until 3 years after he has ceased to serve.

§ 2081. Residency

Every resident of the State of Maine is eligible, while within the United States, to receive health insurance benefits as provided by this chapter. In determining residency, the commission shall take into consideration such factors as: Payment of Maine state income taxes, registration to vote, ownership or rental of property, registration of automobile and employment.

§ 2082. Coverage

The commission shall provide for each individual specified in this chapter coverage against the expense of health services to the extent specified in section 2084.

§ 2083. Payment

Every eligible person, as defined in section 2081, is entitled to have payment made by the commission for any covered service furnished by a participating provider, if the service is necessary or appropriate for the maintenance of health or for the diagnosis or treatment of, or rehabilitation following, injury, disability or disease. Covered services are those specified in section 2084.

§ 2084. Health services

Health services covered by this chapter, and for which payment shall be made pursuant to section 2083, are the following when dispensed to an eligible person as defined in section 2081:

1. Physicians services. Professional services of licensed physicians, M.D. and D.O., furnished in their offices or elsewhere, and including services and supplies of kinds which are commonly furnished in a physician's office, without separate charge, as incident to his professional services. Such physicians' services shall include primary medical services, and specialized services if they are furnished by an appropriately qualified specialist, and are on referral by a physician engaged in general or family practice;
2. Psychiatric, mental health services. Psychiatric service to an out-patient is covered service only if it constitutes an active preventive diagnostic, therapeutic or rehabilitative treatment with respect to emotional or mental disorders, and only to the extent of 20 consultations, unless such service is provided by a comprehensive health service organization, a hospital or a community mental health center;
3. Dental services. Professional services of a dentist furnished in his office or elsewhere, including services and supplies of kinds which are commonly furnished in a dentist's office without separate charge, as incident to his professional services, and furnished to those eligible persons who are 25 years of age or less. It is the intention of the Legislature that said dental services be extended to all eligible persons in the State as rapidly as the availability of funds and services in the State makes such extension of services feasible;
4. Optometric services. Optometric services, including testing, evaluation and prescription of eyeglasses, and the cost of one pair of new glasses

in any given benefit period, provided, however, that replacement glasses for those lost, broken or otherwise damaged shall constitute a covered service;

5. Podiatric services. Podiatric services;

6. Hospital inpatient care. Services provided by a hospital as incident to hospitalization, which ordinarily are furnished by the hospital, which shall include but not be limited to laboratory fees, x-ray fees, blood and blood derivative supplies, physical therapy services and purchase of prescription drugs as authorized by the physician in charge of treatment of said patient;

7. Nursing home services. Services provided by skilled nursing homes as defined in section 1813-A, which shall include physicians' services and purchase of drugs prescribed by a physician. Nursing home care shall be limited to 120 days in any benefit period;

8. Hospitalization for psychiatric diagnosis and treatment. Services provided incident to hospitalization for psychiatric diagnosis and treatment where there is an active program of therapy, treatment, rehabilitation with respect to emotional or mental disorders to the extent of 45 days per benefit period, provided that such services do not include institutional care of an eligible person when the patient is not receiving active treatment, and when the hospitalization is custodial or domiciliary in nature;

9. Outpatient services. Outpatient services of any hospital or comprehensive health maintenance organization provided by any clinic, outpatient department or program, including, but not limited to, rehabilitation clinics, immunization clinics and prenatal maternity clinics;

10. Visiting nurse services. Services rendered by visiting nurses operating as part of municipal or state programs, or programs established under regional health organizations which are constituted pursuant to section 246 (b) of 42 U.S.C.;

11. Medical transportation. Medical transportation, which shall include, but not be limited to, ambulance service to any participating hospital, clinic or nursing home;

12. Drugs. Prescription drugs employed in an active program of treatment for any injury, disease or disability, when prescribed by any participating physician, osteopath or dentist, as well as prescription drugs employed to treat any chronic disease;

13. Devices. Prosthetic, othotic and hearing-aid devices when authorized by a licensed physician or osteopath;

14. The coverage described in subsections 1 to 13, shall be periodically reviewed by the commission to insure inclusion of at least the minimum coverage provided in federal guidelines for medical coverage provided under Title XIX of the Social Security Act, as amended.

§ 2085. Contracts

1. Negotiation. The coverage described in section 2084 shall be provided for by the commission through contracts with a private company or com-

panies. The commission is authorized and directed to negotiate and sign such contract or contracts for the above-described minimum coverage.

2. Guidelines. It shall be the duty, power and prerogative of the commission, and not of the private contracting company or companies, to make and set all guidelines and policies as to the health services to be included in the minimum coverage provided for in section 2084.

3. Responsibilities. The private contracting company or companies shall be responsible for:

- A. The payment of individual claims;
- B. The adjustment of claims;
- C. The keeping of all records and files incident to such work;
- D. Any other such administrative duties as the commission shall require in its contract with said company or companies.

4. Payment. The contracting private company or companies shall be paid out of the Maine Health Insurance Fund established in section 2088, and such payment shall be made quarterly.

5. Eligibility. Any corporation licensed and organized under Title 24, chapter 3, to issue the insurance benefits required by this chapter shall be eligible to contract with the commission for the provision of said minimum coverage as set forth in section 2084.

§ 2086. Participating providers of health services

The following persons and facilities are hereby authorized to be providers of health services enumerated in section 2084 of this chapter:

1. Doctors. All physicians, M.D. and D.O., dentists, psychiatrists, dental hygienists and psychologists, licensed to practice their profession in the State of Maine;

2. Hospitals. All hospitals, nursing homes, rest homes, sanatoriums or convalescent homes licensed to operate in the State of Maine under section 1811;

3. Health services. All comprehensive health maintenance organizations which provide comprehensive health care on a prepaid basis; any nonprofit professional foundation which is sponsored by a city, county or State medical or dental society which is engaged in the provision of health care services of the kinds enumerated in section 2084; any community mental health center which dispenses psychological or psychiatric treatment by licensed practitioners; and any regional health program established pursuant to section 246 (b) of 42 U.S.C. which provides any service enumerated in section 2084.

§ 2087. Contributions

The commission shall require that contribution toward the cost of the health insurance coverage provided by this chapter be paid through a system of payroll deductions.

1. Employee. The commission shall require that the contribution of any employee in the State be not in excess of 2% of his yearly gross wages.

2. Employer. The commission shall require that all employers in the State of Maine shall contribute to the costs of providing the insurance set forth in this chapter, provided that such employer contributions shall not exceed 4% of the gross yearly payroll of said employer.

3. Self-employed. The commission shall require the participation of self-employed persons in the insurance program, and shall require such persons to contribute to the costs of said health insurance. Moneys collected from such persons shall not exceed 2% of their gross yearly earned income.

§ 2088. Health insurance fund

There is hereby created the Maine Health Insurance Fund, into which all moneys collected through the payroll taxes enumerated in section 2087 shall be paid. The costs of the minimum health insurance coverage provided by this chapter shall be paid from said Maine Health Insurance Fund. In the event that the cost of said coverage exceeds the money collected by said taxes, the difference in cost shall be provided by funds appropriated to said Maine Health Insurance Fund from general funds collected by the State.

§ 2089. Health Insurance Commission

1. Rules; employees. The Health Insurance Commission, established in section 2080, shall have the power to promulgate such rules and regulations as are necessary for the implementation of the health insurance program set forth in this chapter. The commission shall also have the power, subject to appropriation, to employ such individuals as are necessary for the implementation of the health insurance program hereby established. Said individuals with the exception of physicians, M.D. and D.O., dentists, psychologists and psychiatrists, shall be subject to the Maine Personnel Law as set forth in Title 5, chapters 51 to 61.

2. Executive director.

A. There shall be an Executive Director of the Health Insurance Commission, hereinafter in this chapter, referred to as the director, who shall be appointed by the Governor, with the advice and consent of the Council, and who shall serve for a term coterminous with that of the Governor. The director shall carry out all decisions, policies and acts of the commission.

B. The director of the commission shall be salaried at the amount of \$17,000 per year.

3. Officers. The director shall appoint, and may remove subject to the Personnel Law, such agents and subordinate officers as he may deem necessary, subject to appropriation, and may establish such divisions within the commission as, from time to time, he may deem appropriate.

4. Report. At the end of each fiscal year, the director shall make an annual report of the activities of the commission, which shall constitute a

public record. Such report shall include, but not be limited to, a description of the minimum coverage to be provided to the people of the State for the upcoming year, a description of the manner by which the profit margin for the contracting private insurer was set and the reasons therefor, a compilation of any recommendations of the commission, and a budget which reflects itemized and program costs for the coming year, and which shall include an estimate of the money to be appropriated from the General Fund of the State to the Maine Health Insurance Fund to cover any differential in the cost of coverage as outlined in section 2088.

§ 2090. Federal aid

The commission is authorized and empowered to comply with or do any and all other acts or things necessary or required to be done as a condition to receiving federal aid or grants with respect to the health insurance coverage of all persons eligible for same under this chapter; and is authorized and empowered to accept and collect any and all moneys paid for health services for eligible persons who are entitled to receive medical costs coverage under Title XIX of the Social Security Act, as amended, where such medical services to said eligible persons have been paid for under this chapter. Such moneys collected from said Title XIX program shall be paid into the Maine Health Insurance Fund as set forth in section 2088.

§ 2091. Application

1. Employer obligations. Notwithstanding any other provision of law, no provision of this chapter shall affect or alter any contractual or nonstatutory obligation of an employer to provide health services to his present and former employees and their dependents, or to any such persons, or the amount of any such obligation for payment, including any amount payable by an employer for insurance premiums or into any fund to provide for any such payment toward all or part of the cost of such services. And, such employer-employee negotiated funds as currently exist may be used to meet the obligation of premiums on behalf of the employees.

2. Workmen's compensation. Notwithstanding any other provision of law, nothing in this chapter shall affect or alter any health services furnished or paid for under a workmen's compensation law of this State, or of the United States, or legally required to be so furnished or paid for.

3. Additional coverage. Notwithstanding any other provision of law, nothing in this chapter shall be construed to prevent any person, or group of persons, from purchasing different or additional health insurance coverage at his or their own expense.

4. Double payment. Notwithstanding any other provision of law, the commission shall in no instance authorize the double payment of any claim.

5. Subrogation. The commission shall have the right of subrogation for any tort claim or judgment for medical services accruing to any eligible person as defined in section 2081.

§ 2092. Fee or charge

No provider of health services as enumerated in section 2086 shall charge any eligible person any fee or charge for any covered service as defined in

section 2084 other than that to be compensated by the health insurance coverage provided by this chapter.

§ 2093. Effective date

The payroll deduction taxes set forth in section 2087 shall go into effect 90 days from the effective date of this chapter, and the provision of benefits as enumerated in section 2084 shall commence 9 months from the effective date of this chapter, the intention of the Legislature being that the initial 6 months of taxation be used to create the Maine Health Insurance Fund out of which the quarterly contractual fees are to be paid to the private contracting company or companies as set forth in sections 2085 and 2088.

§ 2094. Construction

This chapter, being necessary for the general welfare, the public health and the public safety of the State and its inhabitants, shall be liberally construed to effect the purposes set forth under this chapter.

§ 2095. Federal law

In the event that any law or Act enacted by the United States Congress shall provide for health services which duplicate coverage as provided by this chapter, the coverage provided by this chapter shall cease with respect to those duplicated services.

The payroll deduction taxes set forth in section 2087 shall be reduced in an amount equal to the percentage decrease in services as may occur under the circumstances outlined in this section, should any cessation of duplicated services occur.

Sec. 2. Appropriation. There is appropriated from the General Fund to the Health Insurance Commission the sum of \$58,500 to carry out the purposes of this Act. The breakdown shall be as follows:

	1973-74		1974-75
HEALTH AND INSURANCE COMMISSION			
Personal Services	(3) \$12,500	(3)	\$33,000
All Other	3,000		10,000
	<hr/>		<hr/>
	\$15,500		\$43,000

STATEMENT OF FACT

The people of Maine have long suffered from poor health, inadequate health facilities and a dearth of qualified doctors and other medical and supportive personnel.

In a pattern that has existed throughout Maine's history, Maine's people have not received sufficient medical, dental, podiatric and psychiatric care and services.

Rich or poor, insured or not, the average citizen of Maine too often receives basic health services in a haphazard and incomplete way. Moreover, the cost of such medical services has risen to the point where even the best, and most expensive, insurance coverage may not be adequate, and basic health insurance does not protect the teeth and eyes of Maine citizens.

In order that the people of Maine may take advantage of the variety of medical services enjoyed by other Americans, and take advantage of them at a price which the People of Maine can afford, this bill sets out as its central purpose the creation of a Health Insurance Commission.

The Commission will receive Federal, State and payroll deduction funds, and pursuant to contracts with private insurance companies in Maine, spend those funds so as to achieve a comprehensive treatment of the medical, dental, optometric, podiatric and psychiatric needs of all of the people of Maine.

The secondary purpose of this bill is to encourage innovative and efficient methods of health care delivery so as to discourage duplicative hospital construction and capital improvements and to encourage preventive medical practices.

In general, this bill recognizes that basic health care, delivered with the greatest feasible efficiency to as many citizens as possible, is not a privilege but a basic right for all of our citizens.