

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
(Governor's Bill)

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5/10/77

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ONE HUNDRED AND EIGHTH LEGISLATURE

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**Legislative Document**

**No. 1769**

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H. P. 1539

House of Representatives, May 9, 1977

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Ms. Clark of Freeport.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT to Require Filing and Prior Approval of all Rates for Use by  
Nonprofit Hospital or Medical Organizations.**

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**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, nonprofit hospital and medical organizations in this State have over 500,000 subscribers; and

Whereas, this represents a very high proportion of the people of Maine presently insured for health benefits; and

Whereas, the cost to the people of Maine should be commensurate with the benefits provided; and

Whereas, there is an immediate need to clarify the statutes to specify authority for this control; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 24 MRSA § 2305, sub-§ 3 is amended to read:

3. Rates and benefits. The rates charged and benefits to be provided are reasonable as prescribed in sections 2316 and 2320.

Sec. 2. 24 MRSA §§ 2320 and 2321 are enacted to read:

§ 2320. Rate filing and approval

1. Filing of rate schedule; approval. No nonprofit hospital or medical service organization shall enter into any contract with a subscriber or modify any existing contract unless and until it shall have filed with the superintendent a full schedule of rates or revisions thereof to be paid by the subscribers and shall have obtained the superintendent's approval. The superintendent may refuse such approval if he finds such rates are excessive, inadequate or unfairly discriminatory. For the purpose of determining the proper rates to be charged for such services, the superintendent may employ a competent actuary who shall be paid by the organization for which the services are rendered.

2. Effective date; date of filing. Every filing in accordance with subsection 1 shall state the proposed effective date thereof, and shall indicate the character and extent of the benefits contemplated. Every such filing shall be made not less than 60 days in advance of the proposed effective date unless such 60-day requirement is waived by the superintendent, and that effective date may be extended by the superintendent for a period of time not to exceed 60 days.

3. Hearing. If at any time the superintendent has reason to believe that a filing does not meet the requirements of this section, he shall conduct a hearing on such filing. The superintendent shall give at least 10 days' written notice of the hearing specifying the matters to be considered at the hearing. Within 30 days after the close of the hearing, the superintendent shall issue an order approving or disapproving the filing. If the order disapproves the filing, the order shall specify the reasons for such disapproval

§ 2321. Appeals from order or decision of the superintendent

Any organization aggrieved by an order or decision of the superintendent may appeal therefrom as provided in Title 24-A, section 236.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

### STATEMENT OF FACT

Blue Cross / Blue Shield claims to have 500,000 subscribers in this State. This represents a very high proportion of the people of Maine presently insured for health coverages. The intent of this bill is to guarantee that the cost to these subscribers is not excessive.