

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
109TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. S-286)

COMMITTEE AMENDMENT "A " to S.P. 357, L.D. 1105, Bill,
"AN ACT Relating to Nonprofit Hospital or Medical Service
Organizations."

Amend the Bill by striking out all of the title and
inserting in its place the following: 'AN ACT Relating to
Nonprofit Hospital or Medical Service Organizations and Insurance
Companies.'

Further amend the Bill by striking out everything after
the enacting clause and inserting in its place the following:

'Sec. 1. 24 MRSA §2321, sub-§1, last sentence, as
enacted by PL 1977, c. 493, §2, is amended to read:
Every such filing shall be made not less than ~~30~~ 60 days in
advance of the stated effective date unless such ~~30-day~~ 60-day
requirement is waived by the superintendent and the effective
date may be suspended by the superintendent for a period of time
not to exceed 30 days.

Sec. 2. 24 MRSA §2321, sub-§2, as enacted by PL 1977,
c. 493, §2, is amended to read:

2. Filing information. When a filing is not accompanied
by the information upon which the organization supports such
filing, and or the superintendent does not have sufficient
information to determine whether such filing meets the requirements
that the rates shall not be excessive, inadequate or unfairly
discriminatory, he shall require the organization to furnish the
information upon which it supports the filing. ~~A-filing-and
any-supporting-information-shall-be-open-to-public-inspection~~

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~~after-the-filing-becomes-effective-~~ A filing and supporting information shall be a public record within the meaning of Title 1, section 402, subsection 3 and shall become part of the official record of any hearing held pursuant to section 2322.

For the purpose of determining whether the filing produces rates that are not excessive, inadequate or unfairly discriminatory, the superintendent may employ ~~a-competent-actuary~~ consultants, including actuaries and the reasonable costs of the ~~actuary~~ consultants, including actuaries, which shall include costs of testifying at any hearing held pursuant to section 2322, shall be borne by the organization making such filing.

Sec. 3. 24 MRSA §2322, as amended by PL 1977, c. 694, §383, is repealed and the following enacted in its place:
§2322. Hearing

If at any time the superintendent has reason to believe that a filing does not meet the requirements that rates shall not be excessive, inadequate or unfairly discriminatory or that the filing violates any of Title 24-A, chapter 23, to the extent it is applicable pursuant to section 2317, he shall cause a hearing to be held.

Hearings held under this section shall conform to the procedural requirement set forth in the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter IV.

Sec. 4. 24 MRSA §2323, as enacted by PL 1977, c. 493, is repealed and the following enacted in its place:

§2323. Order

The superintendent shall issue his order or decision within 30 days after the close of the hearing. In his order or decision, the superintendent shall either approve or disapprove the rate filing. If he disapproves the rate filing, the superintendent shall establish the date on which the filing is no longer effective, specify the filing he would approve and authorize the organization to submit a new filing in accordance with the terms of his order or decision.

Sec. 5. 24 MRSA §§2326 and 2327 are enacted to read:

§2326. Appeals from order or decision of the superintendent

Any person whose interests are substantially and directly affected and aggrieved by an order or decision of the superintendent or any party to a hearing held pursuant to section 2322 may appeal therefrom as provided in Title 24-A, section 236.

§2327. Group rates

No group health care contract shall be issued by a nonprofit hospital or medical service organization in this State until a copy of the group manual rates to be used in calculating the rates for these contracts have been filed for informational purposes with the superintendent.

Sec. 6. 24-A MRSA §2736, sub-§1, last sentence, as enacted by PL 1977, c. 493, §3, is amended to read:

Every such filing shall be made not less than ~~30~~ 60 days in advance of the stated effective date unless such ~~30-day~~ 60-day requirement is waived by the superintendent, and the effective date

may be suspended by the superintendent for a period of time not to exceed 30 days.

Sec. 7. 24-A MRSA §2736, sub-§2, as enacted by PL 1977, c. 493, §3, is amended to read:

2. Rate filing; public information. When a filing is not accompanied by the information upon which the insurer supports such filing, and or the superintendent does not have sufficient information to determine whether such filing meets the requirements that rates shall not be excessive, inadequate or unfairly discriminatory, the superintendent shall require the insurer to furnish the information upon which it supports the filing. A-filing-and-any-supporting-information-shall-be-open-to-public-inspection-after-the-filing-becomes-effective. A filing and supporting information shall be a public record within the meaning of Title 1, section 402, subsection 3 and shall become part of the official record of any hearing held pursuant to section 2736-A.

Sec. 8. 24-A MRSA §2736-A, as amended by PL 1977, c. 694, §422, is repealed and the following enacted in its place:
§2736-A. Hearing

If at any time the superintendent has reason to believe that a filing does not meet the requirements that rates shall not be excessive, inadequate or unfairly discriminatory or that the filing violates any of the provisions of chapter 23, he shall cause a hearing to be held.

Hearings held under this section shall conform to the procedural requirements set forth in the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter IV.

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Sec. 9. 24-A MRSA §2736-B is enacted to read:

§2736-B. Order

The superintendent shall issue his order or decision within 30 days after the close of the hearing. In his order or decision, the superintendent shall either approve or disapprove the rate filing. If he disapproves the rate filing, the superintendent shall establish the date on which the filing is no longer effective, specify the filing he would approve and authorize the insurer to submit a new filing in accordance with the terms of his order or decision.

Sec. 10. 24-A MRSA §2746 is enacted to read:

§2746. Rates filed

No policy of group accident and sickness insurance shall be delivered in this State until a copy of the group manual rates to be used in calculating the premium for these policies have been filed for informational purposes with the superintendent

Statement of Fact

This amendment alters the bill in the following respects: It deletes the bill's prohibition on groups of hospitals negotiating with nonprofit hospital and medical service organizations; it reduces the advance rate filing period from 90 to 60 days; it requires nonprofit hospital and medical service organizations and insurers to file rating formulae on group health contracts and policies for informational purposes only; it deletes the requirement that the organization filing rates pay for a hearing examiner; it deletes the bill's provisions

granting the superintendent the authority to set rates and instead requires him to specify a rate filing he would approve if he disapproves the filing made; it deletes the bill's provisions permitting the superintendent to deny a rate hike on the grounds of failure by the organization to control provider costs; and it makes everything in the amended bill equally applicable to commercial insurers and nonprofit hospital and medical service organizations.

Reported by the Committee on Business Legislation.

Reproduced and distributed pursuant to Senate Rule 11-A.

June 1, 1979

(Filing No. S-286)