

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 468

6  
7 H.P. 347

House of Representatives, February 8, 1985

8 Referred to the Committee on Appropriations and Financial Affairs. Sent  
9 up for concurrence and ordered printed. Ordered sent forthwith.

10 EDWIN H. PERT, Clerk

Presented by Representative Melendy of Rockland.

11 Cosponsored by Senator Gill of Cumberland, Senator Bustin of Kennebec  
and Representative Dellert of Gardiner.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-FIVE  
16

17 AN ACT to Create a Consumer Toll-free  
18 "Hotline" for Information, Referrals  
19 and Assistance Pertaining to Medigap  
20 Health Insurance Policies.  
21

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

24 Sec. 1. 24-A MRSA c. 69 is enacted to read:

25 CHAPTER 69

26 MEDIGAP HEALTH INSURANCE HOTLINE PROGRAM

27 §6001. Definitions

28 1. Hotline. "Hotline" means a toll-free tele-  
29 phone number staffed by an insurance specialist to  
30 answer questions, give assistance and make referrals.

31 2. Medicare. "Medicare" means the United States  
32 Health Insurance for the Aged Act, Title 18 of the

1 Social Security Amendments of 1965, Public Law 89-97,  
2 as amended.

3       3. Medigap health insurance policy. "Medigap  
4 health insurance policy" means an individual policy  
5 of health insurance or a subscriber contract of a  
6 nonprofit hospital or medical service organization or  
7 nonprofit health care plan which is designed primari-  
8 ly to provide coverage for expenses incurred by an  
9 insured person for services and items for which pay-  
10 ment may be made under Medicare, but which are not  
11 reimbursable by reason of the applicability of de-  
12 ductibles, coinsurance amounts or other limitations  
13 imposed pursuant to Medicare.

14       4. Limited benefit health insurance. "Limited  
15 benefit health insurance" means any accident or  
16 health insurance policy or subscriber contract, other  
17 than a Medicare supplement policy which meets the  
18 standards contained in chapter 67; disability income  
19 policy; basic catastrophic or major medical expense  
20 policy; single premium nonrenewable policy; or other  
21 policy issued for delivery in this State to persons  
22 eligible for Medicare by reason of age.

23 §6002. Program

24       The Department of Attorney General shall estab-  
25 lish and administer, pursuant to this chapter, a  
26 Medigap health insurance hotline. This hotline shall  
27 make available to the public an insurance specialist  
28 to answer questions concerning Medigap health insur-  
29 ance policies and limited benefit health insurance,  
30 make referrals to appropriate agencies and assist  
31 callers in making application for Medigap health in-  
32 surance policies and limited benefit health insurance  
33 policies. The specialist shall not recommend specif-  
34 ic policies or insurance companies but may advise if  
35 a policy meets the standards established for these  
36 policies by the Bureau of Insurance.

37       The Department of Attorney General shall report  
38 to the Legislature by January 1, 1987, with at least  
39 the following information:

40       1. Inquiries. Number of inquiries received by  
41 the program;

1           2. Summary. Summary of types of inquiries; and  
2           3. Referrals. Number of referrals to other  
3           agencies.

4           §6003. Insurance Advisory Committee

5           The Insurance Advisory Committee shall be estab-  
6           lished to consist of not less than 5 persons, with  
7           one representative from each of the following agen-  
8           cies: Maine Committee on Aging; Bureau of Maine's  
9           Elderly; Bureau of Insurance; and an area agency on  
10           aging. These representatives shall be chosen by  
11           their respective agencies. There shall also be a  
12           consumer representative, to be chosen by mutual  
13           agreement of the designated representatives of the 4  
14           agencies. This advisory committee shall offer tech-  
15           nical assistance to the insurance specialist as re-  
16           quired and meet at least 4 times a year to review  
17           program data and operations.

18           §6004. Training

19           The Bureau of Insurance shall be responsible for  
20           appropriate training of the insurance specialist.  
21           The bureau shall also make available copies of all  
22           Medigap health insurance policies and limited benefit  
23           health policies to the hotline program.

24           Sec. 2. Appropriation. The following funds are  
25           appropriated from the General Fund to carry out the  
26           purposes of this Act.

27		<u>1985-86</u>	<u>1986-87</u>
28	<u>ATTORNEY GENERAL, DEPARTMENT OF</u>		
29	Positions	(1)	(1)
30	Personal Services	\$22,000	\$24,200
31	All Other	13,000	15,000
32	Capital Expenditures	<u>1,000</u>	<u>300</u>
33	Total	\$36,000	\$39,500

1 STATEMENT OF FACT

2 Currently, Medicare covers less than 1/2 of the  
3 elderly's health care costs. The complexities of the  
4 Medicare system and the gaps in its coverage have  
5 created confusion and abuse in the health insurance  
6 marketplace. Elderly people often attempt to protect  
7 themselves in the health insurance area without hav-  
8 ing full knowledge of the coverage they need. Dupli-  
9 cate and unnecessary coverage is often the result.  
10 It has been estimated that up to 90% of beneficiaries  
11 have duplicate insurance coverage. Currently, be-  
12 cause of the extremely complex nature of insurance,  
13 elderly consumers are virtually unable to get infor-  
14 mation or counseling about health insurance other  
15 than that provided by the insurance agents them-  
16 selves.

17 This bill appropriates funds to the Department of  
18 Attorney General to create a Medigap health insurance  
19 hotline. The hotline will assist callers with ques-  
20 tions concerning their private insurance policies,  
21 make referrals to other agencies as appropriate and  
22 assist callers in filling out applications for insur-  
23 ance.

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