

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 573

H.P. 428 House of Representatives, February 26, 1987  
Reference to the Committee on Banking and Insurance  
suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative SIMPSON of Casco.

Cosponsored by Representatives RYDELL of Brunswick, BAKER  
of Portland, and LAPOINTE of Auburn.

STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT to Develop a Managed Care Insurance  
2 Plan Demonstration for Uninsured  
3 Individuals and Repeal of the  
4 Catastrophic Illness Program Law.  
5

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

8 Sec. 1. 22 MRSA §3185, as amended by PL 1985, c.  
9 501, Pt. B, §19, is repealed and the following en-  
10 acted in its place:

11 §3185. Medical expenses for catastrophic illness

12 The Department of Human Services shall cease ac-  
13 cepting applications for assistance through the Cata-  
14 strophic Medical Expense Fund on the effective date  
15 of this law. The Department of Human Services shall

1 continue to provide financial assistance to, or on  
2 behalf of families or individuals residing in the  
3 State, meeting eligibility requirements for the cata-  
4 strophic illness program up to a period of one year  
5 after the effective date of this law.

6 The annual appropriation for the catastrophic  
7 medical expense fund shall be utilized to provide  
8 funding for the managed care insurance plan, set out  
9 in section 3187 for the 3-year demonstration period.  
10 Any balances of funds appropriated under this section  
11 shall not lapse, but shall be carried over from year  
12 to year to be expended for the same purpose.

13 Sec. 2. 22 MRSA §3187 is enacted to read:

14 §3187. Maine Managed Care Insurance Plan Demonstra-  
15 tion for uninsured individuals

16 The Department of Human Services shall develop,  
17 implement and administer a managed care health insur-  
18 ance plan demonstration for individuals without  
19 health insurance in one urban and one rural site.

20 The department shall target enrollment in this  
21 plan to low-income non-Medicaid eligible individuals,  
22 both employed and unemployed, who cannot afford to  
23 purchase individual or group coverage themselves.  
24 For this 3-year demonstration, this health insurance  
25 plan shall be exempt from the provisions of Title 24,  
26 chapter 19, and Title 24-A, the Maine Insurance Code.

27 Sec. 3. Appropriation. The following funds are  
28 appropriated from the General Fund to carry out the  
29 purposes of this Act.

30 1987-88 1988-89

31 HUMAN SERVICES, DEPARTMENT OF

32 Maine Managed Care Insurance  
33 Plan Demonstration

34 All Other \$100,000 \$300,000

35 These funds will  
36 provide services to

1 individuals without  
2 health insurance  
3 and thus carry out  
4 the purposes of  
5 this Act.

6 Sec. 4. Report. The Department of Human Ser-  
7 vices shall prepare and submit to the 114th Legisla-  
8 ture a report on the managed care insurance plan dur-  
9 ing the 3rd year of the demonstration project. This  
10 report shall include, but not be limited to, the fol-  
11 lowing information:

12 1. An assessment of the demonstrations' success  
13 in providing cost effective affordable insurance cov-  
14 erage for acute and primary care services for the  
15 target population;

16 2. An assessment of whether the demonstration  
17 should be continued, expanded incrementally to addi-  
18 tional areas of the State, made a statewide project  
19 or discontinued; and

20 3. An assessment of plan contracting and compet-  
21 itive bidding options and a review of options for  
22 program structure as a fully public or semipublic en-  
23 tity.

24 STATEMENT OF FACT

25 This bill will provide funds to develop and im-  
26 plement a managed care health insurance program for  
27 3,000 previously uninsured individuals, primarily  
28 non-Medicaid eligible low-income citizens, in one ur-  
29 ban and one rural site. These funds, combined with  
30 the money, \$250,000 a year, available from the repeal  
31 of the Catastrophic Illness Program law will be uti-  
32 lized to offer a cost-effective model approach for  
33 financing and delivery of health services to Maine's  
34 uninsured population, which is estimated to be 13% of  
35 Maine's population between the ages of 18 and 64,  
36 93,000 adults.

37 The funding request is an integral part of the  
38 department's and the University of Southern Maine's

1 Robert Wood Johnson Foundation proposal, which re-  
2 ceived approval for funding of \$409,701 over a 3-year  
3 period in January 1987.

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