

MAINE STATE LEGISLATURE

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(New Draft of H.P. 66, L.D. 69)
(New Title)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 725

H.P. 541 House of Representatives, March 11, 1987
Reported by Representative WILLEY from the Committee on
Labor and printed under Joint Rule 2.

Original bill sponsored by Representative RUHLIN of
Brewer. Cosponsored by Representative WILLEY of Hampden.

EDWIN H. PERT, Clerk

STATE OF MAINE

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

1 AN ACT to Reconcile State Law with Federal
2 Law Regulating the Continuation of
3 Group Health Insurance Coverage.
4

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

7 Sec. 1. 24 MRSA §2330, sub-§11, ¶¶D and I, as
8 enacted by PL 1985, c. 684, §1, are amended to read:

9 D. The payment amount for continued group cover-
10 age under this subsection may not exceed 102% of
11 the group rate in effect for a group member, in-
12 cluding an employer's contribution, if any.

13 I. This subsection shall not be construed to:

1 (1) Prevent members or employees from nego-
2 tiating for or receiving greater continued
3 coverage of group insurance than is provided
4 in this subsection; or

5 (2) Require coverage beyond the time limits
6 set in paragraph E F.

7 Sec. 2. 24 MRSA §2330, sub-§11, ¶J is enacted to
8 read:

9 J. This subsection does not apply to any group
10 policy subject to the United States Consolidated
11 Omnibus Budget Reconciliation Act, Public Law
12 99-272, Title X, Private Health Insurance Cover-
13 age, Sections 10001 to 10003.

14 Sec. 3. 24-A MRSA §2809-A, sub-§11, ¶¶D and I,
15 as enacted by PL 1985, c. 684, §2, are amended to
16 read:

17 D. The payment amount for continued group cover-
18 age under this subsection may not exceed 102% of
19 the group rate in effect for a group member, in-
20 cluding an employer's contribution, if any.

21 I. This subsection shall not be construed to:

22 (1) Prevent members or employees from nego-
23 tiating for or receiving greater continued
24 coverage of group insurance than is provided
25 in this subsection; or

26 (2) Require coverage beyond the time limits
27 set in paragraph E F.

28 Sec. 4. 24-A MRSA §2809-A, sub-§11, ¶J is en-
29 acted to read:

30 J. This subsection does not apply to any group
31 policy subject to the United States Consolidated
32 Omnibus Budget Reconciliation Act, Public Law
33 99-272, Title X, Private Health Insurance Cover-
34 age, Sections 10001 to 10003.

1

STATEMENT OF FACT

2 This new draft is intended to reconcile the pro-
3 visions of the state law regulating the continuation
4 of group health insurance coverage with federal law
5 in the same area. The state law is not identical to
6 the federal law, creating confusion and compliance
7 difficulties for employers who are subject to both
8 laws. Since the federal law only regulates those
9 group health insurance plans that contain over 20
10 members, sections 2 and 4 of this new draft amend
11 present law to provide that the state law will apply
12 only to those group plans that are not subject to the
13 federal law. This will eliminate the confusion and
14 difficulties experienced by employers subject to both
15 laws, while ensuring that all employees will retain
16 their present group health insurance continuation
17 rights.

18 Sections 1 and 3 of the new draft also amend
19 present law to permit an employer to charge the
20 former employee at a rate not exceeding 102% of the
21 group rate applicable to other group members.
22 Present law limits this charge to 100% of the group
23 rate. The change will conform state law with the
24 federal law and allow employers to recover their ad-
25 ditional administrative expenses caused by the inclu-
26 sion of these persons in their group health plan.

27 Sections 1 and 3 of the new draft also correct a
28 typographical error in a cross-reference in the orig-
29 inal law.

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