

MAINE STATE LEGISLATURE

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(EMERGENCY)
(New Draft of H.P. 428, L.D. 573)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1574

H.P. 1169 House of Representatives, May 15, 1987
Reported by Representative CURRAN from the Committee on
Banking and Insurance and printed under Joint Rule 2.

EDWIN H. PERT, Clerk

Original bill sponsored 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 Emergency preamble. Whereas, Acts of the Legis-
7 lature do not become effective until 90 days after
8 adjournment unless enacted as emergencies; and

9 Whereas, the funds currently supporting the Cata-
10 strophic Illness Program are to be used for the Man-
11 aged Care Insurance Plan Demonstration; and

12 Whereas, the Department of Human Services should
13 not take any more applications for the Catastrophic
14 Illness Program after June 30, 1987; and

1 Whereas, the rest of the funds remaining in the
2 program should not lapse on June 30, 1987, and should
3 be used for those persons remaining in the Cata-
4 strophic Illness Program after June 30, 1987; and

5 Whereas, in the judgment of the Legislature,
6 these facts create an emergency within the meaning of
7 the Constitution of Maine and require the following
8 legislation as immediately necessary for the preser-
9 vation of the public peace, health and safety; now,
10 therefore,

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

13 Sec. 1. 22 MRS §3185, as amended by PL 1985, c.
14 501, Pt. B, §19, is repealed and the following en-
15 acted in its place:

16 §3185. Medical expenses for catastrophic illness

17 The Department of Human Services shall cease ac-
18 cepting applications for assistance through the Cata-
19 strophic Medical Expense Fund on June 30, 1987. The
20 Department of Human Services shall continue to pro-
21 vide financial assistance to, or on behalf of, fami-
22 lies or individuals residing in the State meeting el-
23 igibility requirements for the catastrophic illness
24 program up to a period of one year after June 30,
25 1987.

26 Any balance of funds in the Catastrophic Medical
27 Expense Fund account on June 30, 1987, shall not
28 lapse and shall be utilized to provide financial as-
29 sistance to, or on behalf of, families or individuals
30 residing in this State meeting eligibility require-
31 ments for Catastrophic Illness Program on June 30,
32 1987.

33 Sec. 2. 22 MRS §3188 is enacted to read:

34 §3188. Maine Managed Care Insurance Plan Demonstra-
35 tion for uninsured individuals

36 The Department of Human Services shall develop,
37 implement and administer the Maine Managed Care
38 Health Insurance Plan Demonstration for individuals

1 without health insurance in one urban and one rural
2 site.

3 The department shall target enrollment in this
4 plan to low-income non-Medicaid eligible individuals,
5 both employed and unemployed, who cannot afford to
6 purchase individual or group coverage themselves.
7 Enrollment in this plan shall not be offered to
8 groups, individuals within groups and individuals
9 that have been covered by health benefits coverage
10 any time in the past 12 months, with the exception of
11 individuals who were covered by Medicaid and individ-
12 uals who had health benefit coverage and who have
13 lost that coverage involuntarily and who otherwise
14 would be eligible for the Managed Care Insurance Plan
15 Demonstration.

16 The intent of this demonstration is to provide
17 access to health benefits to those for whom financial
18 barriers preclude the purchase of the coverage. Eli-
19 gibility criteria for the Managed Care Insurance Plan
20 Demonstration shall be developed by the department
21 based upon the advice of The Robert Wood Johnson
22 Foundation's grant advisory committee. For this
23 3-year demonstration, this health insurance plan
24 shall be exempt from the provisions of Title 24,
25 chapter 19 and Title 24-A, the Maine Insurance Code.

26 Sec. 3. 22 MRS §3189 is enacted to read:

27 §3189. Report

28 The Department of Human Services shall prepare
29 and submit to the joint standing committee of the
30 Legislature having jurisdiction over banking and in-
31 surance and the joint standing committee of the Leg-
32 islature having jurisdiction over human resources of
33 the 114th Legislature a report on the Managed Care
34 Insurance Plan Demonstration during the 3rd year of
35 the demonstration project. This report shall in-
36 clude, but not be limited to, the following informa-
37 tion:

38 1. Assessment of the demonstrations' success in
39 providing coverage. An assessment of the demonstra-
40 tions' success in providing cost-effective affordable
41 insurance coverage for acute and primary care ser-
42 vices for the target population;

1 2. Assessment whether the demonstration should
2 be continued. An assessment of whether the demon-
3 stration should be continued, expanded incrementally
4 to additional areas of the State, made a statewide
5 project or discontinued; and

6 3. Assessment of plan contracting and competi-
7 tive bidding options. An assessment of plan con-
8 tracting and competitive bidding options and a review
9 of options for program structure as a fully public or
10 semipublic entity.

11 **Sec. 4. Appropriation.** The following funds are
12 appropriated from the General Fund to carry out the
13 purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
14		
15	<u>HUMAN SERVICES, DE-</u>	
16	<u>PARTMENT OF</u>	
17	Maine Managed Care Insur-	
18	ance Plan Demonstration	
19	All Other	\$350,000 \$550,000
20	Provides funds for a	
21	managed care insur-	
22	ance plan for in-	
23	sured individuals.	
24	Catastrophic Medical Ex-	(\$250,000)(\$250,000)
25	pense Fund	
26	Provides funds by	
27	repeal of the cata-	
28	strophic illness law	
29	to provide addition-	
30	al resources in sup-	
31	port of the Maine	
32	Managed Care Insur-	
33	ance Plan Demonstra-	
34	tion.	
35		
36	Total	<u>\$100,000</u> <u>\$100,000</u>

