

MAINE STATE LEGISLATURE

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L.D. 2340

(Filing No. H-705)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
113TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1703, L.D. 2340,
Bill, "AN ACT to Promote Economic Development in the
State by Enhancing Employment Opportunities for Maine
People."

Amend the Bill by striking out all of sections 3,
4 and 5 and inserting in their place the following:

'Sec. 3. 5 M RSA §13056, sub-§8 is enacted to
read:

8. Enhance economic opportunities. In close
cooperation with the Department of Labor and the
Department of Human Services, work with and inform the
State's business entities, job training organizations
and labor recruitment organizations about the
employment benefit plan as defined in Title 22,
section 3779, and to facilitate the implementation of
this plan. In addition, the department in cooperation
with the Department of Labor and the Department of
Human Services shall monitor the operation, costs and
impact of this plan.

Sec. 4. 22 M RSA §3779 is enacted to read:

§3779. Extended eligibility for medical assistance

1. Eligibility. The department shall provide
extended medical assistance to former recipients of

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1 Medicaid who have become ineligible for financial
2 assistance under that program because of earnings from
3 employment. Extended medical assistance shall be
4 limited to 18 months beginning with the month in which
5 ineligibility for Medicaid begins and shall be
6 provided only in months in which the former Medicaid
7 recipient is employed. For the purposes of this
8 section, "financial assistance" means aid to families
9 with dependent children or supplemental security
10 income programs.

11 A. For the first 12 months, no individual or
12 family receiving extended medical assistance under
13 this section whose gross monthly income is less
14 than 150% of the federal poverty level may be
15 required to pay any premium charge, deductible,
16 coinsurance, copayment or similar charge for such
17 assistance.

18 Individuals or families with gross monthly income
19 of 150% or more of the federal poverty level shall
20 pay a monthly premium for such assistance in
21 accordance with the following schedule:

<u>Income</u>	<u>Premium Charge</u>
<u>150% to 159% of poverty level</u>	<u>1% of gross monthly income</u>
<u>160% to 169% of poverty level</u>	<u>2% of gross monthly income</u>
<u>170% to 179% of poverty level</u>	<u>3% of gross monthly income</u>
<u>180% to 189% of poverty level</u>	<u>4% of gross monthly income</u>
<u>190% to 199% of poverty level</u>	<u>5% of gross monthly income</u>

28 Individuals or families with gross monthly income
29 equalling 200% or more of the poverty level shall
30 be ineligible for extended medical assistance
31 under this section.

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34 B. For the 6 months following the first 12 months
35 of receipt of extended medical assistance, no
36 individual or family whose gross monthly income is
37 less than 100% of the federal poverty level may be

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1 required to pay any premium charge, deductible,
2 coinsurance, copayment or similar charge for such
3 assistance.

4 Individuals or families with gross monthly income
5 of 100% or more of the federal poverty level shall
6 pay a monthly premium for such assistance in
7 accordance with the following schedule:

8	<u>Income</u>	<u>Premium Charge</u>
9	<u>100% - 109%</u>	<u>1% of gross monthly income</u>
10	<u>110% - 119%</u>	<u>2% of gross monthly income</u>
11	<u>120% - 129%</u>	<u>3% of gross monthly income</u>
12	<u>130% - 139%</u>	<u>4% of gross monthly income</u>
13	<u>140% - 149%</u>	<u>5% of gross monthly income</u>

14 Individuals or families with gross monthly income
15 equalling 150% or more of the federal poverty
16 level shall be ineligible for the additional 6
17 months of extended medical assistance under this
18 section.

19 2. Medical assistance. During the extended
20 18-month period established by this section, the
21 amount, duration and scope of medical assistance
22 available to the individual or family shall be the
23 same as if the family were still receiving Medicaid
24 assistance.

25 3. Coordination with private insurance coverage.
26 The department may pay an individual's or a family's
27 expense for premiums, deductibles, coinsurance or
28 similar costs for health insurance or other health
29 coverage offered by the employer of the individual or
30 a caretaker relative if doing so would be more cost
31 effective. In the event that the department chooses
32 to purchase coverage from an employer, the individual
33 or family is nevertheless eligible for the full extent
34 of medical assistance coverage provided in subsection
35 2.

36 4. Department report. The department, in
37 cooperation with the Department of Economic and
38 Community Development and the Department of Labor
39 shall report to the joint standing committee of the

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1 Legislature having jurisdiction over human resources
2 and the joint standing committee of the Legislature
3 having jurisdiction over economic development with
4 respect to the operation and results of the program
5 established pursuant to this section.

6 At a minimum, this report shall include:

7 A. An estimate of the total number of persons who
8 may be eligible to participate in the program;

9 B. The number of former Medicaid recipients
10 participating in the program;

11 C. The number of participants who may lose the
12 benefits provided by this program following
13 termination of the program;

14 D. The number of participants contributing toward
15 premium charges or similar charges and the total
16 amount of these contributions;

17 E. The total cost of the program less
18 administrative costs; and

19 F. The estimated number of participants who will
20 remain employed with health insurance benefits
21 following termination of the program.

22 This report shall also describe the impact of the
23 program on the Maine economy and labor force.

24 This report shall be provided to the joint standing
25 committees no later than December 1, 1989.

26 **Sec. 5. Appropriation.** The following funds are
27 appropriated from the General Fund to carry out the
28 purposes of this Act.

29		<u>1988-89</u>
30	<u>HUMAN SERVICES, DEPARTMENT OF</u>	
31	Extended Medical Assistance	
32	All Other	\$868,350

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1 Provides health
2 insurance benefits to
3 former Medicaid
4 recipients employed by
5 employers who do not
6 provide health
7 insurance benefits.

8 Sec. 6. Effective date. Section 4 of this Act
9 shall become effective January 1, 1989.

10 FISCAL NOTE

11 This bill would require a General Fund
12 appropriation to the Department of Human Services in
13 the amounts of \$868,350 in fiscal year 1989 to extend
14 medical benefits to Aid to Families with Dependent
15 Children and other eligible clients, effective January
16 1, 1989. This cost is based on providing coverage for
17 an estimated 847 people at an average cost of \$175 per
18 month. The potential future cost for fiscal year 1990
19 for this program will be approximately \$4,000,000.
20 The Governor's supplemental budget contains
21 approximately \$700,000 for fiscal year 1989 for
22 medical coverage for Additional Support for People in
23 Retraining and Education, ASPIRE, participants.

24 STATEMENT OF FACT

25 This amendment provides health insurance benefits
26 to former Medicaid recipients who are employed by
27 employers who do not provide health insurance
28 benefits. Benefits will terminate 18 months from the
29 month in which ineligibility for cash assistance
30 begins. The program includes sliding scale fees to be
31 charged to recipients with earnings of 150% or more of
32 the federal poverty level during the first 12 months
33 of assistance.

34 Former Medicaid-eligible recipients with gross
35 monthly earnings of 150% or more of the federal
36 poverty level are eligible for only a 12-month
37 period. Former Medicaid-eligible recipients with
38 gross monthly incomes of less than 150% of the federal
39 poverty level are eligible for an additional 6 months

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1 of health insurance benefits. Recipients with
2 earnings in excess of 100% of the federal poverty
3 level will pay premiums in accordance with a statutory
4 sliding scale fee schedule for the 6 additional months
5 of coverage.

6 The Department of Human Services, in cooperation
7 with the Department of Economic and Community
8 Development and the Department of Labor, will report
9 to the Legislature with respect to the operation and
10 impact of the program. This report will also describe
11 the impact of the program on the Maine economy and the
12 State's labor force. There is no intent to require
13 the use of sophisticated and complex computer programs
14 and economic models with respect to the study.

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Reported by the Committee on Economic Development
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