

MAINE STATE LEGISLATURE

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1 L.D. 2490
2 (Filing No. S-432)

3 STATE OF MAINE
4 SENATE
5 113TH LEGISLATURE
6 SECOND REGULAR SESSION

7 SENATE AMENDMENT " A " to S.P. 943, L.D. 2490,
8 Bill, "AN ACT to Improve Services for Maine's Elderly."

9 Amend the bill by striking out all of sections 1
10 to 3 and inserting in their place the following:

11 'Sec. 1. 24-A MRSA §5051, sub-§1, as enacted by
12 PL 1985, c. 648, §12, is amended to read:

13 1. Long-term care policy. "Long-term care
14 policy" means a group or individual policy of health
15 insurance or a subscriber contract of a nonprofit
16 hospital or medical service organization or nonprofit
17 health care plan which is advertised, marketed or
18 designed primarily to provide coverage or services for
19 chronic or terminally ill care in either institutional
20 or community based settings, which provides benefits
21 on either an expense incurred or indemnity basis for a
22 period of not less than 12 months for skilled,
23 intermediate or custodial care received. Benefits for
24 custodial care may not be less than 50% of those
25 provided for skilled nursing care in a skilled nursing
26 facility except that custodial care benefits need not
27 exceed usual, customary and reasonable charges. A
28 long-term care policy must also provide benefits for
29 home health care services rendered by a home health
30 care provider. The policy must provide coverage for
31 at least 90 visits in any continuous 12-month period
32 during which coverage is in force. The per visit

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- 1 benefit for home health care services shall be at
2 least 50% of the daily benefit for skilled nursing
3 facility confinement except that such benefit need not
4 exceed the usual, customary and reasonable charge for
5 home health care services.
- 6 No long-term care policy may contain coverage for
7 skilled nursing facilities only. No long-term care
8 insurance policy may require a prior hospital stay as
9 a condition for any policy benefits. No long-term
10 care insurance policy may exclude coverage for skilled
11 intermediate custodial care received by a resident of
12 a skilled nursing or intermediate care facility. No
13 policy may require a prior skilled nursing facility
14 stay as a condition for intermediate care facility
15 benefits. No prior institutionalization may be
16 required as a condition of receipt of home health care
17 benefits. That term does not include:
- 18 A. A policy or contract defined as Medicare
19 supplement insurance pursuant to chapter 67;
- 20 B. A policy or contract issued to one or more
21 employers or labor organizations or of the
22 trustees of a fund established by one or more
23 employers or labor organizations, or combination
24 of both, or for members or former members, or
25 combination of both, of the labor organizations,
26 except as provided in section 5055;
- 27 C. A policy or contract issued to any
28 professional, trade or occupational association
29 for its members, former members or retired members
30 or combination of all members, if the association:
- 31 (1) Is composed of individuals all of whom
32 are actively engaged in the same profession,
33 trade or occupation;
- 34 (2) Has been maintained in good faith for
35 purposes other than obtaining insurance; and
- 36 (3) Has been in existence for at least 2
37 years prior to the date of its initial
38 offering of the policy or plan to its
39 members; and

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1 D. Individual policies or contracts issued
2 pursuant to a conversion privilege under a policy
3 or contract of group or individual insurance when
4 that group or individual policy or contract
5 includes provisions which are inconsistent with
6 the requirements of this chapter;

7 E. A policy or contract issued to a provider of
8 continuing care as defined at section 6201, which
9 covers a defined membership thereof which is
10 entitled to health care benefits as part of the
11 continuing care agreement for subscribers in the
12 continuing care retirement community or life-care
13 community, except as provided in section 5055; and

14 F. Policies or contracts which provide basic
15 hospital, medical, surgical or major medical
16 coverages.

17 **Sec. 2. 24-A MRSA §5051, sub-§§1-A and 1-B are**
18 **enacted to read:**

19 1-A. Home health care provider. "Home health
20 care provider" has the same meaning as set forth in
21 section 2745, subsection 3.

22 1-B. Home health care services. "Home health
23 care services" has the same meaning as set forth in
24 section 2745, subsections 1 and 2, except that the
25 requirements of section 2745, subsection 1, paragraph
26 A, shall not apply.

27 **Sec. 3. 24-A MRSA §§5054 and 5055 are enacted**
28 **to read:**

29 §5054. Tax incentives available

30 1. Reduced premium tax. Any insurance company
31 choosing to offer an insurance policy which is
32 certified by the superintendent as a long-term care
33 policy shall qualify for the reduced tax on premiums
34 collected under Title 36, section 2513.

35 2. Income tax reduction. Any person paying
36 premiums for an insurance policy which is certified by
37 the superintendent as a long-term care policy shall

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1 qualify for the income tax deduction provided for in
2 Title 36, section 5122.

3 3. Provision of records. Any person who holds a
4 group long-term care policy pursuant to or under which
5 premiums are paid in whole or in part by certificate
6 holders or other 3rd parties shall provide to those
7 certificate holders or 3rd parties adequate and timely
8 records to enable those persons to have knowledge of
9 the tax reduction to which they may be entitled under
10 subsection 2 and under Title 36, section 5122.

11 §5055. Certification of policies

12 1. Filing of form. Any insurer, nonprofit
13 hospital or medical services organization or nonprofit
14 health care plan may file a request with the
15 superintendent for certification of any group or
16 individual policy or contract as a long-term care
17 policy or contract within the meaning of section
18 5051. Such request shall be accompanied by a copy of
19 the policy or contract form for which certification is
20 sought.

21 Within 60 days of receipt of a proper request for
22 certification, the superintendent shall either
23 affirmatively certify the form or contract as in
24 compliance with this section, shall issue a denial of
25 the request to certify or shall notify the insurer or
26 nonprofit hospital or medical services organization
27 that an insufficient basis exists for making a
28 determination as to whether a certification should be
29 made. If the superintendent indicates that an
30 insufficient basis exists for determining
31 certification, the superintendent shall indicate in
32 what respects the request was insufficient.

33 2. Standards for compliance. The superintendent
34 shall certify a policy or contract submitted for
35 review under this section as a long-term care policy
36 if the superintendent finds the following standards
37 are met.


38 A. The policy or contract must be a "long-term
39 care policy" within the meaning of section 5051,
40 subsection 1.

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1 provides an expanded definition of a long-term care
2 policy and requires a review by the Joint Standing
3 Committee on Banking and Insurance by January 31, 1989.

4 5451040788

5 (Sen. TWITCHELL)

6 SPONSORED BY: 

7 COUNTY: Oxford

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