

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
114TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "<sup>A</sup>" to H.P. 354, L.D. 473, Bill, "An Act to Expand the High-risk Insurance Program"

Amend the bill by striking out all of the title and inserting in its place the following:

'An Act to Amend the Law Concerning the Maine High-Risk Insurance Organization'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 24-A MRSA §6051, sub-§12-A is enacted to read:

12-A. Resident. "Resident" means a person domiciled in Maine.

Sec. 2. 24-A MRSA §6052, sub-§1, as enacted by PL 1987, c. 542, Pt. H, §5, is amended to read:

1. Organization established. The nonprofit entity to be known as the Maine High-Risk Insurance Organization, as established by Title 5, chapter 379, shall provide health insurance to persons who are otherwise unable to obtain health insurance for medical reasons, as determined by this chapter. It is declared that the Maine High-Risk Insurance Organization is an instrumentality of the State, provided that the debts and liabilities of the organization shall not constitute debts and liabilities of the State.

Sec. 3. 24-A MRSA §6055, sub-§3, ¶E, as enacted by PL 1987, c. 542, Pt. H, §5, is amended to read:

E. Following the close of each calendar fiscal year, determine net written and earned premiums, the expense of administration and the paid and incurred losses for the year and report this information to the board on a form as prescribed by the board; and

Sec. 4. 24-A MRSA §6057, sub-§1, as enacted by PL 1987, c. 542, Pt. H, §5, is repealed and the following enacted in its place:

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1. Eligibility. Eligibility for organization coverage shall be governed as follows.

A. Except as provided in paragraph C, any individual person who is a resident shall be eligible for organization coverage if evidence is provided of:

(1) A rejection or refusal to issue similar insurance for health reasons by one insurer;

(2) A refusal by an insurer to issue or renew similar insurance for health reasons except at a rate exceeding the organization rate; or

(3) A refusal by an insurer to issue similar insurance except with a reduction or exclusion of coverage for a specified preexisting health condition for a period exceeding 90 days.

B. The board may adopt a list of medical or health conditions for which a person would be eligible for plan coverage without applying for health insurance pursuant to paragraph A. Persons who can demonstrate the existence or history of any medical or health conditions on the list adopted by the board would be eligible to apply directly to the organization for insurance coverage. The list may be amended from time to time as appropriate.

C. The following shall not be eligible for organization coverage:

(1) Persons eligible for health care under Medicare or Medicaid;

(2) Persons who have terminated coverage in the organization, unless 12 months have elapsed;

(3) Persons who have been paid the maximum lifetime benefit established pursuant to section 6058;

(4) Inmates of public institutions; or

(5) Persons eligible for similar coverage under a conversion at a cost less than the cost of the organization premium.'

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**STATEMENT OF FACT**

This amendment strikes language of the bill which would have removed the 300-person limit on coverage by the Maine High-Risk Insurance Organization and corrects several technical problems in the law that established the organization. The amendment adds a definition of "resident," clarifies the tax status of the organization by providing that the organization is an instrumentality of the State, changes the reporting date from a calendar year to a fiscal year, and tightens eligibility requirements by requiring proof of rejection or refusal of coverage by an insurance company, as specified in the amendment.

Reported by the Committee on Banking and Insurance  
Reproduced and distributed under the direction of the Clerk of the House  
5/25/89

(Filing No. H-306)