

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 643

S.P. 253

In Senate, March 7, 1989

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

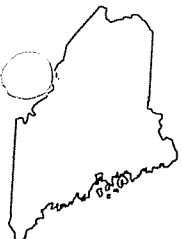
Presented by Senator GILL of Cumberland.

Cosponsored by Senator THERIAULT of Aroostook, Representative GARLAND of Bangor and Representative STEVENS of Bangor.

STATE OF MAINE

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

An Act to Provide for the Social and Financial Assessment of Proposed Mandatory Health Insurance Benefits:



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

3 Sec. 1. 24 MRSA §2332-B is enacted to read:

5 §2332-B. Mandatory health insurance benefits

7 1. Proposed mandatory health insurance benefits; impact
8 assessment study. Before any legislative measure that mandates
9 health insurance coverage for specific health services, specific
10 diseases or for certain providers of health care services as part
11 of individual or group health insurance policies may be acted
12 upon by any legislative committee, the Mandated Benefits Advisory
13 Commission shall prepare and forward to the Governor and the
14 Legislature a study that assesses both the social and financial
15 effects of the proposed mandated benefit. The study may be
16 conducted by the commission or pursuant to a contract with the
17 commission. For purposes of this section, mandated health
18 insurance benefits shall not include mandated options.

19
20 2. Assessment study. The study required under subsection 1
21 for assessing the impact of a proposed mandate of health
22 insurance benefit shall include, at the minimum and to the extent
23 that information is available, the following:

24 A. The social impact of mandating the benefit which shall
25 include:

26
27 (1) The extent to which the treatment or service is
28 utilized by a significant portion of the population;

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30 (2) The extent to which the treatment or service is
31 available to the population;

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33 (3) The extent to which insurance coverage for this
34 treatment or service is already available;

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36 (4) If coverage is not generally available, the extent
37 to which the lack of coverage results in persons being
38 unable to obtain necessary health care treatment;

39
40 (5) If the coverage is not generally available, the
41 extent to which the lack of coverage results in
42 unreasonable financial hardship on those persons
43 needing treatment;

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45 (6) The level of public demand and the level of demand
46 from providers for the treatment or service;

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48 (7) The level of public demand and the level of demand
49 from the providers for individual or group insurance
50 coverage of the treatment or service;

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(8) The level of interest of collective bargaining organizations in negotiating privately for inclusion of this coverage in group contracts;

(9) The likelihood of achieving the objectives of meeting a consumer need as evidenced by the experience of other states;

(10) The alternatives to meeting the identified need;

(11) The relation of the benefit to the role of health insurance;

(12) The impact of any social stigma attached to the benefit upon the market;

(13) The impact of this benefit on the availability of other benefits currently being offered;

(14) The quality of any services proposed to be offered by nonphysician practitioners as a substitute for the services of a physician;

(15) The impact of the benefit as it relates to employers shifting to self-insured plans; and

(16) The contribution of the benefit to the quality of patient care and the health status of the population, including the results of any research demonstrating the medical efficacy of the treatment or service compared to alternatives or not providing the treatment or services;

B. The financial impact of mandating the benefit which shall include:

(1) The extent to which the proposed insurance coverage would increase or decrease the cost of the treatment or service over the next 5 years;

(2) The extent to which the proposed coverage might increase the appropriate or inappropriate use of the treatment or service over the next 5 years;

(3) The extent to which the mandated treatment or service might serve as an alternative for more expensive or less expensive treatment or service;

(4) The extent to which the insurance coverage may affect the number and types of providers of the mandated treatment or service over the next 5 years;

1 (5) The extent to which insurance coverage of the
3 health care service or provider may be reasonably
5 expected to increase or decrease the insurance premium
7 and administrative expenses of policyholders;

9 (6) The impact of indirect costs, which are costs
11 other than premiums and administrative costs, on the
13 question of the costs and benefits of coverage;

15 (7) The impact of this coverage on the total cost of
17 health care; and

19 (8) The effects on the cost of health care to
21 employers and employees, including the financial impact
23 on small employers, medium-sized employers and large
25 employers; and

27 C. The effects of balancing social and economic
29 considerations which shall include:

31 (1) The extent to which the need for coverage
33 outweighs the costs of mandating the benefit for all
35 policyholders; and

37 (2) The extent to which the problem of coverage may be
39 solved by mandating the availability of the coverage as
41 an option for policyholders.

43 Sec. 2. 24-A MRSA §2846 is enacted to read:

45 §2846. Mandatory health insurance benefits

47 1. Proposed mandatory health insurance benefits; impact
49 assessment study. Before any legislative measure that mandates
51 health insurance coverage for specific health services, specific
 diseases or for certain providers of health care services as part
 of individual or group health insurance policies may be acted
 upon by any legislative committee, the Mandated Benefits Advisory
 Commission shall prepare and forward to the Governor and the
 Legislature a study that assesses both the social and financial
 effects of the proposed mandated benefit. The study may be
 conducted by the commission or pursuant to a contract with the
 commission. For purposes of this section, mandated health
 insurance benefits shall not include mandated options.

2. Assessment study. The study required under subsection 1
 for assessing the impact of a proposed mandate of health
 insurance benefit shall include, at the minimum and to the extent
 that information is available, the following:

A. The social impact of mandating the benefit which shall
 include:

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(1) The extent to which the treatment or service is generally utilized by a significant portion of the population;

(2) The extent to which the treatment or service is available to the population;

(3) The extent to which insurance coverage for this treatment or service is already available;

(4) If coverage is not generally available, the extent to which the lack of coverage results in persons being unable to obtain necessary health care treatment;

(5) If the coverage is not generally available, the extent to which the lack of coverage results in unreasonable financial hardship on those persons needing treatment;

(6) The level of public demand and the level of demand from providers for the treatment or service;

(7) The level of public demand and the level of demand from providers for individual or group insurance coverage of the treatment or service;

(8) The level of interest of collective bargaining organizations in negotiating privately for inclusion of this coverage in group contracts;

(9) The likelihood of achieving the objectives of meeting a consumer need as evidenced by the experience of other states;

(10) The alternatives to meeting the identified need;

(11) The relation of the benefit to the role of health insurance;

(12) The impact of any social stigma attached to the benefit upon the market;

(13) The impact of this benefit on the availability of other benefits currently being offered;

(14) The quality of any services proposed to be offered by nonphysician practitioners as a substitute for the services of a physician;

(15) The impact of the benefit as it relates to employers shifting to self-insured plans; and

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(16) The contribution of the benefit to the quality of patient care and the health status of the population, including the results of any research demonstrating the medical efficacy of the treatment or service compared to alternatives or not providing the treatment or service;

B. The financial impact of mandating the benefit which shall include:

(1) The extent to which the proposed insurance coverage would increase or decrease the cost of the treatment or service over the next 5 years;

(2) The extent to which the proposed coverage might increase the appropriate or inappropriate use of the treatment or service over the next 5 years;

(3) The extent to which the mandated treatment or service might serve as an alternative for more expensive or less expensive treatment or service;

(4) The extent to which the insurance coverage may affect the number and types of providers of the mandated treatment or service over the next 5 years;

(5) The extent to which insurance coverage of the health care service or provider may be reasonably expected to increase or decrease the insurance premium and administrative expenses of policyholders;

(6) The impact of indirect costs, which are costs other than premiums and administrative costs, on the question of the costs and benefits of coverage;

(7) The impact of this coverage on the total cost of health care; and

(8) The effects on the cost of health care to employers and employees, including the financial impact on small employers, medium-sized employers and large employers; and

C. The effects of balancing social and economic considerations which shall include:

(1) The extent to which the need for coverage outweighs the costs of mandating the benefit for all policyholders; and

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(2) The extent to which the problem of coverage may be solved by mandating the availability of the coverage as an option for policyholders.

STATEMENT OF FACT

This bill requires that a study be conducted to assess both the social and financial effects of any proposed mandated benefit in health insurance before the mandated benefit may be adopted by any legislative committee.