

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 758

H.P. 560

House of Representatives, March 14, 1989

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

Ed Pert

EDWIN H. PERT, Clerk

Presented by Representative GWADOSKY of Fairfield.

Cosponsored by Representative ALLEN of Washington, Representative MANNING of Portland and Senator COLLINS of Aroostook.

STATE OF MAINE

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

An Act to Amend the Preferred Provider Arrangement Act of 1986.



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

3 Sec. 1 24 MRSA §2339, as amended by PL 1987, c. 34, §1, is
5 repealed and the following enacted in its place:

7 §2339. Alternative health care benefits

9 A nonprofit hospital or medical service organization that
11 makes a preferred provider arrangement available need not provide
for payment for covered health care services rendered by
providers who are not preferred providers.

13 A nonprofit hospital or medical service organization may
15 make payment for covered services rendered by a nonpreferred
17 provider directly to the subscriber, and need not recognize an
assignment of payments from subscriber to nonpreferred providers.

19 Sec. 2. 24-A MRSA §2677, as amended by PL 1987, c. 34, §2, is
repealed and the following enacted in its place:

21 §2677. Alternative health care benefits

23 An insurer or administrator who makes a preferred provider
25 arrangement available need not provide for payment for covered
health care services rendered by providers who are not preferred
27 providers.

29 An insurer or administrator may make payment for covered
31 services rendered by a nonpreferred provider directly to the
subscriber and need not recognize an assignment of payments from
subscriber to nonpreferred providers.

33

35 **STATEMENT OF FACT**

37 This bill allows nonprofit hospital or medical service
39 organizations, insurers and administrators the flexibility and
authority to design preferred provider products to meet the
41 demands of employers in different geographic areas of the State.
The bill also allows such companies to refuse assignments of
43 payments which will provide further incentive to use preferred
providers. The effect of this bill will be to strengthen
45 preferred provider arrangements in Maine and to respond to market
demand.