

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 2069

S.P. 806

In Senate, January 3, 1990

Submitted by the Department of Administration pursuant to Joint Rule 24.

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN
Secretary of the Senate

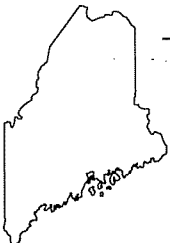
Presented by Senator BUSTIN of Kennebec.

Cosponsored by Senator GILL of Cumberland, Speaker MARTIN of Eagle Lake and Representative HIGGINS of Scarborough.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

An Act to Allow the Maine State Employees Health Insurance Program to Self-insure Health or Dental Insurance.



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

2
3 Sec. 1. 5 MRSA §285, as amended by PL 1989, c. 443, §6; c.
4 483, Pt. A, §8; and c. 502, Pt. A, §12; is further amended to
5 read:

6
7 **§285. Group health plan**

8
9 ~~Group--accident--and--sickness--or~~ A group health insurance
10 ~~shall-be~~ plan is available to state employees, subject to the
11 following provisions+.

12
13 **1. Eligibility; generally.** The following persons are
14 eligible for a group accident--and--sickness--or health insurance
15 plan:

16
17 A. Each appointed or elective officer or employee of the
18 State who is eligible for membership in the Maine State
19 Retirement System, Maine Legislative Retirement System or
20 the State Police Retirement System;

21
22 B. Any member of the judiciary or workers' compensation
23 ~~emmissioner~~ commission;

24
25 C.

26
27 D. Any employee of the Maine State Employees Association;

28
29 E. Any employee of Council 74 of the American Federation of
30 State, County and Municipal Employees;

31
32 F. Any employee of the Maine Turnpike Authority;

33
34 F-1. Any employee of the Maine Technical College System;

35
36 F-2. Any employee of the Maine Maritime Academy; and

37
38 G. Subject to subsection 1-A, employees in any of the
39 categories denominated in paragraphs A to F-1 who:

40
41 (1) On April 26, 1968, have retired and who were
42 covered under group health plans ~~of--insurance~~ which by
43 virtue of Public Law 1967, chapter 543, were terminated;

44
45 (2) After April 26, 1968, retire and who on the date
46 of their retirement are currently enrolled in this
47 ~~group accident--and--sickness--or~~ health insurance plan as
48 an employee;

49
50 (3) After December 2, 1986, and after reaching normal
51 retirement age, cease to be members of the Legislature
52 and are recipients of retirement allowances from the

2 Maine State Retirement System based upon creditable
3 service as teachers, as defined by section 17001,
4 subsection 42. This paragraph shall also apply to
5 former members who were members on December 2, 1986; or

6 (4) After December 2, 1986, and not yet normal
7 retirement age, cease to be members of the Legislature
8 and are recipients of retirement allowances from the
9 Maine State Retirement System based upon creditable
10 service as teachers, as defined by section 17001,
11 subsection 42. This paragraph also applies to former
12 members who were members on December 2, 1986.

14 **1-A. Eligibility; retirees.** Any person otherwise eligible
15 pursuant to subsection 1, paragraph G, must in addition, in order
16 to be eligible under this section:

18 A. If retiring on a disability retirement, have
19 participated in the group ~~accident-and-sickness-or~~ health
20 insurance plan immediately prior to retirement;

22 B. If not retiring on a disability retirement, have
23 participated, as an employee, in the group ~~accident-and~~
24 ~~sickness-or~~ health insurance plan for at least one year
25 immediately prior to retirement; or

26 C. If eligibility is based upon subsection 1, paragraph G,
27 subparagraph (3), have participated in the group ~~accident~~
28 ~~and-sickness-or~~ health plan for at least one year
29 immediately prior to ceasing to be a member of the
30 Legislature.
31

32 **1-B. Ineligibility.** Eligibility under this section shall
33 not be extended to include members of the Maine Municipal
34 Association or the Maine Teachers Association or employees of
35 counties and municipalities and instrumentalities thereof,
36 including quasi-municipal corporations.
37

38 **2. Coverage.** Each state employee to whom this section
39 applies shall be eligible for a group ~~accident-and-sickness-or~~
40 health insurance plan as provided in Title 24-A, sections 2802 to
41 2812, including major medical benefits or through a self-funded
42 alternative. The provisions of ~~these the~~ group insurance policy
43 or policies or the self-funded alternative shall be determined,
44 insofar as the provisions are not inconsistent with terms and
45 conditions contained in collective bargaining agreements
46 negotiated pursuant to Title 26, chapter 9-B, by the State
47 Employee Health Commission as provided in section 285-A. The
48 master policy for the group insurance health plan shall be held
49 by the Commissioner of Administration.
50

2 **3. Enrollment.** Any employee eligible under this section
3 may join within the first 60 days of employment or during a
4 declared open enrollment period. The filing of necessary
5 applications shall be the responsibility of the employer.
6 Effective dates under this section shall be at the discretion of
7 the commission.

8 **4. Payroll deduction.**

10 **5. Purchase of policies.** The commission shall purchase, by
11 competitive bidding, from one or more insurance companies or
12 nonprofit organizations, 3rd party administrators or both any
13 organization necessary to administer and provide a health plan, a
14 policy or policies of ~~group accident and sickness or health~~
15 ~~insurance, including major medical insurance~~ or contract, to
16 provide the benefits specified by this section. The purchase of
17 policies by the commission shall be accomplished by use of a
18 written contract which shall be fully executed within 90 calendar
19 days of notification of bid acceptance from the commission to the
20 insurer. In extenuating circumstances, the Commissioner of
21 Administration may grant a waiver to that 90-day limit.
22 Notwithstanding this subsection, with the consent of the
23 policyholder and of the insurer and at the sole discretion of the
24 commission, existing policies of insurance covering at least
25 1,000 of the employees defined as eligible by this section may be
26 amended to provide the benefits specified by this section and
27 assigned to the Commissioner of Administration for the benefit of
28 all those eligible under this section. The company or companies
29 or nonprofit organizations must be licensed under the laws of the
30 State, when applicable. The policy provisions shall be subject
31 to and as provided for by the insurance laws of this State, when
32 applicable.

34 **6. Master policy and certificates.** The insurance company
35 or companies or nonprofit organizations, or both the
36 Commissioner of Administration, shall furnish the usual master
37 policy and certificates. Each ~~insured~~ employee covered
38 participant shall receive a certificate setting forth the
39 benefits to which he the participant is entitled, to whom
40 payable, to whom claims shall be submitted, and summarizing the
41 provisions of the policy principally affecting the employee
42 participant.

44 **7. Payment by State.** Except as otherwise provided in this
45 subsection, the State, through the commission, shall pay 100% of
46 only the employee's share of this insurance health plan, except
47 for Legislators where, for whom the State shall pay 50% of the
48 Legislators' health insurance plan premium for dependent
49 coverage. For any person appointed to a position after November
50 1, 1981, who is employed less than full time, the State shall pay
51 a share of the employee's share reduced pro rata to reflect the
52 reduced number of work hours.

2 **8. Payment by Maine State Retirement System.** The Maine
3 State Retirement System shall pay 100% of only the retiree's
4 share of the premiums for this insurance health plan for persons
5 who were previously eligible for this insurance health plan
6 pursuant to subsection 1, paragraph A and who have subsequently
7 become eligible pursuant to subsection 1, paragraph G.

8 **Sec. 2. 5 MRSA §285-A, sub-§1**, as amended by PL 1989, c. 483,
9 Pt. A, §9, is further amended to read:

10 **1. Establishment.** The State Employee Health Commission is
11 established to serve as trustees of the group ~~accident--and~~
12 ~~sickness--or~~ health insurance plan in this subchapter and to
13 advise the director of the state employee health insurance
14 program on health insurance issues and the Director of the Bureau
15 of State Employee Health on issues concerning employee health and
16 wellness, the State Employee Assistance Program and the use of
17 the State Employee Health Internal Service Fund Account, section
18 956.

19 **Sec. 3. 5 MRSA §286**, as repealed and replaced by PL 1987, c.
20 731, §7, is amended by adding at the end 2 new paragraphs to read:

21 A fund, administered by the director of the state employee
22 health insurance program with approval of the Commissioner of
23 Administration, is created to indemnify the State for
24 self-insured losses and related expenses incurred in the
25 provision of health and dental plan benefits for eligible
26 participants. The fund shall be a continuing fund and shall not
27 lapse. The fund shall be invested by the Treasurer of State.
28 All proceeds of these investments shall accrue to the fund.

29 The fund shall be capitalized by legislative appropriation,
30 payments from state departments and agencies and by such other
31 means as the Legislature may approve.

32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

 This bill allows the state employee health insurance program
the option of providing partially or fully self-insured health
plans or portions of health plans to its participants. The
ability to self-insure may be critical as one aspect of the
program's effort to provide effective coverage while controlling
costs.