

MAINE STATE LEGISLATURE

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

COMMITTEE AMENDMENT "A" to H.P. 1633, L.D. 2260, Bill, "An Act Requiring the Reinstatement of Health Insurance for Persons with Organic Brain Disease"

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

'An Act Requiring Prior Notification and Restricting Cancellation of Health Coverage for Persons With Organic Brain Disease'

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 MRSA sub-c. IV is enacted to read:

SUBCHAPTER IV
NOTIFICATION

§2370. Notification prior to cancellation

The superintendent shall, by January 1, 1991, adopt rules in accordance with the Maine Administrative Procedure Act, to provide for notification of the subscriber and another person, if designated by the subscriber, prior to cancellation of health care coverage for nonpayment of premiums, and to provide restrictions on cancellation of coverage when a subscriber suffers from organic brain disease.

The rules may include, but are not limited to, definitions, minimum disclosure requirements, notice provisions and cancellation restrictions.

Sec. 2. 24-A MRSA §2707-A is enacted to read:

§2707-A. Notification prior to cancellation

The superintendent shall, by January 1, 1991, adopt rules to

2 provide for notification of the insured person and another
3 person, if designated by the insured, prior to cancellation of a
4 health insurance policy for nonpayment of premiums, and to
5 provide restrictions on cancellation when an insured person
6 suffers from organic brain disease.

7 The rules may include, but are not limited to, definitions,
8 minimum disclosure requirements, notice provisions and
9 cancellation restrictions.

10 **Sec. 3. 24-A MRSA §2848 is enacted to read:**

11 **§2848. Notification prior to cancellation**

12 The superintendent shall, by January 1, 1991, adopt rules to
13 provide for notification of the insured person and another
14 person, if designated by the insured, prior to cancellation of a
15 health insurance certificate for nonpayment of premiums, and to
16 provide restrictions on cancellation when an insured person
17 suffers from organic brain disease.

18 The rules may include, but are not limited to, definitions,
19 minimum disclosure requirements, notice provisions and
20 cancellation restrictions.

21 The requirements of this section apply to all policies and
22 certificates executed, delivered, issued for delivery, continued
23 or renewed in this State.

24 **FISCAL NOTE**

25 This bill may result in increased future health insurance
26 premiums for the state employee health insurance program, but the
27 additional cost would be insignificant.'

28 **STATEMENT OF FACT**

29 This amendment replaces the bill and addresses the problem
30 of lapses in health insurance for nonpayment of premiums by
31 persons with organic brain disease. The Department of
32 Professional and Financial Regulation, Bureau of Insurance is
33 required by January 1, 1991, to adopt rules for notification of
34 an insured person, which include the opportunity to designate an
35 additional person to receive notice, prior to cancellation for
36 nonpayment of premiums. In addition, those rules will address
37 the need for restrictions on cancellation when, as a result of
38 organic brain disease, an insured fails to pay the premium.