

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
115TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P.
507, L.D. 701, Bill, "An Act to Provide Community Rating of
Health Insurance Providers"

Amend the amendment by inserting after the title the
following:

'Amend the bill by striking out the title and substituting
the following:

'An Act to Provide More Affordable Health Insurance for Small
Businesses and Community Rating of Health Insurance Providers'

Further amend the amendment in the first paragraph after the
title in the first line (page 1, line 16 in amendment) by
striking out the following: "Amend" and inserting in its place
the following: 'Further amend'

Further amend the amendment by striking out all of section 2.

Further amend the amendment in section 3 in that part
designated "~~§2808-B.~~" in subsection 1 in paragraph D in the 2nd
line (page 3, line 31 in amendment) by striking out the
following: "or association" and inserting in its place the
following: ', association or subgroup'

Further amend the amendment in section 3 in that part
designated "~~§2808-B.~~" in subsection 1 in paragraph G in the 4th
line (page 4, line 12 in amendment) by inserting after the
following: "subscriber contract" the following: 'covering an
eligible group'

Further amend the amendment in section 3 in that part
designated "~~§2808-B.~~" in subsection 1 by inserting after
paragraph G the following:

'H. "Subgroup" means an employer with fewer than 25
employees within an association or a multiple employer trust
or any similar subdivision of a larger group covered by a
single group health policy or contract.'

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 507,
L.D. 701

2 Further amend the amendment in section 3 in that part
designated "§2808-B." in subsection 2 in paragraph A in the 4th
line (page 5, line 1 in amendment) by striking out the following:
4 "under paragraphs C and D"

6 Further amend the amendment in section 3 in that part
designated "§2808-B." in subsection 2 in paragraph D by striking
8 out all of subparagraphs (1) to (4) (page 5, lines 17 to 42 in
amendment) and inserting in their place the following:

10

12 '(1) For all policies, contracts or certificates that
are executed, delivered, issued for delivery, continued
or renewed in this State between July 15, 1993 and July
14 14, 1994, the premium rate may not deviate above or
below the community rate filed by the carrier by more
16 than 50%.

18

20 (2) For all policies, contracts or certificates that
are executed, delivered, issued for delivery, continued
or renewed in this State between July 15, 1994 and July
22 14, 1995, the premium rate may not deviate above or
below the community rate filed by the carrier by more
24 than 33%.

26

28 (3) For all policies, contracts or certificates that
are executed, delivered, issued for delivery, continued
or renewed in this State between July 15, 1995 and July
30 14, 1996, the premium rate may not deviate above or
below the community rate filed by the carrier by more
32 than 20%.

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36 (4) For all policies, contracts or certificates that
are executed, delivered, issued for delivery, continued
or renewed in this State between July 15, 1996 and July
38 14, 1997, the premium rate may not deviate above or
below the community rate filed by the carrier by more
40 than 10%.

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44 (5) For all policies, contracts or certificates that
are executed, delivered, issued for delivery, continued
or renewed in this State on or after July 15, 1997, the
46 premium rate may not deviate from the community rate
filed by the carrier.

48

49 Unless continued or modified by law, this paragraph is
repealed on July 15, 1994.'

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SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 507,
L.D. 701

2 Further amend the amendment in section 3 in that part
designated "~~§2808-B.~~" in subsection 2 in paragraph E in the 2nd
4 line (page 5, line 45 in amendment) by striking out the
following: "section" and inserting in its place the following:
6 'subsection' and in the 5th line (page 5, line 48 in amendment)
by striking out the following: "section" and inserting in its
place the following: 'subsection'

8
10 Further amend the amendment in section 3 in that part
designated "~~§2808-B.~~" in subsection 7 in the 3rd line (Page 8,
12 line 21 in amendment) by striking out the following: "July 1" and
inserting in its place the following 'July 15'

14 Further amend the amendment by inserting before section 4
the following:

16
18 '7. Standardized plans. The superintendent shall by rule
define 2 standardized small group health plans that must be
20 offered by all carriers offering small group health plans in the
State. An association group organized pursuant to section 2805-A
22 or a trustee group organized pursuant to section 2806 may offer
one or both plans to its subgroups. The plans must consist of a
24 standard plan and a basic plan. Both plans must meet the
requirements for mandated coverage for specific health services,
26 specific diseases and for certain providers of health services
under Title 24 and this Title applicable to small group health
plans. As used in this subsection:

28
30 A. "Standard plan" means a plan that is similar to those
plans typically sold to small employers; and

32
34 B. "Basic plan" means a plan that emphasizes preventative
care and that contains reasonable but lesser benefits than
the standard plan to the extent necessary to reduce the
36 anticipated cost of the plan by 20%.

38 The premium rate charged by a carrier for the basic plan may not
exceed 80% of the corresponding premium rate charged by that
40 carrier for the standard plan.'

42 Further amend the amendment in section 3 in that part
designated "~~§2808-B.~~" by renumbering the subsections to read
consecutively.

44
46 Further amend the amendment in section 5 in the 3rd line
(page 8, line 36 in amendment) by striking out the following:
48 "July 1" and inserting in its place the following: 'July 15'

SENATE AMENDMENT

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 507,
L.D. 701

2 Further amend the amendment by inserting after section 6 the
following:

4 'Sec. 7. Additional report. The Bureau of Insurance shall
report to the joint standing committee of the Legislature having
6 jurisdiction over insurance matters by January 30, 1994 on the
effects of the rating provisions of the Maine Revised Statutes,
8 Title 24-A, section 2808-B and on data and experience from other
states with community rating statutes.'

10 Further amend the amendment by striking out all of section 7
12 and inserting in its place the following:

14 'Sec. 7. Allocation. The following funds are allocated from
Other Special Revenue to carry out the purposes of this Act.

16
18 1992-93

20 PROFESSIONAL AND FINANCIAL REGULATION,
DEPARTMENT OF

22 Bureau of Insurance

24 All Other \$75,000.

26 Provides funds for consulting services to
assist the Bureau of Insurance with a report
28 on several health insurance issues and for
the costs associated with rulemaking.'

30 Further amend the amendment by renumbering the sections to
32 read consecutively.

34 Further amend the amendment by striking out all of the
fiscal note and inserting in its place the following:

36
38 FISCAL NOTE
40 1992-93

42 APPROPRIATIONS/ALLOCATIONS

44 Other Funds \$75,000

46 The Bureau of Insurance will require an allocation of
available Other Special Revenue in the amount of \$75,000 in
48 fiscal year 1992-93 for one-time consulting services necessary to

2 assist the bureau in preparing the report specified in section 5
of the bill and for the costs associated with rulemaking.'

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STATEMENT OF FACT

This amendment deletes section 2 of Committee Amendment "A" because these provisions were already enacted in LD 2102 and LD 2425 this session.

This amendment clarifies the application of this Act to small employers that purchase health coverage for their employees through associations and multiple employer trusts.

This amendment adds a year to the schedule for phasing in community rating of health insurance providers and sunsets the community rating provisions of the Maine Revised Statutes, Title 24-A, section 2808-B, subsection 2, paragraph D on July 14, 1994.

This amendment adds rulemaking for the Superintendent of Insurance to define a standard plan and a basic plan to be offered by all small group health plan carriers. These plans are required to meet state mandates for specific health services, specific diseases and for certain providers of health services of Title 24 and Title 24-A applicable to small group health plans. The basic plan emphasizes preventative care, contains reasonable but lesser benefits and costs 20% less than the standard plan.

This amendment requires a report from the Bureau of Insurance by January 30, 1994 on the effects of the rating provisions of health insurance providers and on data and experience from other states with community rating statutes.

This amendment adds a new fiscal note.

(Senator BRANNIGAN)

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