

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

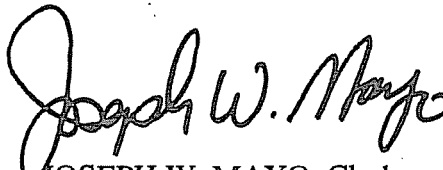
No. 1321

H.P. 990

House of Representatives, April 22, 1993

**An Act to Amend the Preferred Provider Arrangement Act and to
Otherwise Facilitate the Delivery of Health Care in the State.**

Received by the Clerk of the House on April 20, 1993. Referred to the Committee on
Banking and Insurance and 1200 ordered printed pursuant to Joint Rule 14.


JOSEPH W. MAYO, Clerk

Presented by Representative GWADOSKY of Fairfield.
Cosponsored by Representatives: ERWIN of Rumford, TRACY of Rome.

2
3 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 24 MRSA c. 19, sub-c. II, first 3 lines** are repealed and the
5 following enacted in their place:

6 **SUBCHAPTER II**

7 **PREFERRED PROVIDER POLICIES AND CONTRACTS**

8
9
10 **Sec. 2. 24 MRSA §2333**, as repealed and replaced by PL 1987,
11 c. 402, Pt. A, §150, is repealed.

12 **Sec. 3. 24 MRSA §2334**, as enacted by PL 1985, c. 704, §2, is
13 repealed.

14
15 **Sec. 4. 24 MRSA §2334-A** is enacted to read:

16
17 **§2334-A. Selective contracting authorized**

18
19 A nonprofit hospital or medical service organization may
20 offer or administer a health benefit program that includes
21 preferred provider policies or contracts that limit the numbers
22 and types of providers eligible for payment as preferred
23 providers of health care. Every nonprofit hospital or medical
24 service organization shall file with the superintendent a
25 description of its preferred provider arrangement before use in
26 the State.

27
28 **Sec. 5. 24 MRSA §2335**, as enacted by PL 1985, c. 704, §2, is
29 repealed.

30
31 **Sec. 6. 24 MRSA §2336**, as repealed and replaced by PL 1989,
32 c. 588, Pt. A, §44, is repealed.

33
34 **Sec. 7. 24 MRSA §2337**, as amended by PL 1989, c. 588, Pt. A,
35 §45, is repealed.

36
37 **Sec. 8. 24 MRSA §2338**, as amended by PL 1989, c. 588, Pt. A,
38 §46, is repealed.

39
40 **Sec. 9. 24 MRSA §2339**, as repealed and replaced by PL 1989,
41 c. 588, Pt. A, §47, is repealed.

42
43 **Sec. 10. 24 MRSA §2340, first ¶**, as enacted by PL 1985, c. 704,
44 §2, is amended to read:

45
46
47 On or before April 1st of each year, a nonprofit service
48 organization which that issues or administers a program or
49 contract in this State that includes incentives for the
50 subscriber to use the services, or a provider who has entered

2 into an agreement with the nonprofit service organization
4 pursuant to former section 2336, subsection 2, paragraph A, shall
6 file a report of its activities for the preceding year with the
8 superintendent and that at a minimum shall must contain the
10 following:

12 **Sec. 11. 24-A MRSA c. 31-A** is enacted to read:

14 **CHAPTER 31-A**

16 **PREFERRED PROVIDER POLICIES AND CONTRACTS**

18 **§2661. Selective contracting authorized**

20 Insurers or administrators may offer or administer a health
22 benefit program that includes preferred provider policies or
24 contracts that limit the numbers and types of providers eligible
26 for payment as preferred providers of health care. Every insurer
28 or administrator shall file with the superintendent a description
30 of its preferred provider arrangement before use in the State.

32 **Sec. 12. 24-A MRSA c. 32**, as amended, is repealed.

34 **Sec. 13. 32 MRSA §13777**, as amended by PL 1989, c. 720, §2,
36 is further amended to read:

38 **§13777. Exceptions**

40 This Act does not apply to any medical assistance or public
42 health programs administered by the Department of Human Services,
44 including, but not limited to, the Medicaid program and the Low
46 Cost Drug Program; to any employee benefit plan that is subject
48 to the Employee Retirement Income Security Act of 1974, 29 United
50 States Code, Section 1001, et seq.; and to any 3rd-party
prescription programs administered in accordance with ~~and subject~~
~~to the limitations of the Nonprofit Service Organizations~~
~~Preferred Provider Arrangement Act of 1985~~, arrangements under
Title 24, ~~chapter 19, subchapter II~~, section 2334-A or the
~~Preferred Provider Arrangement Act of 1986~~, Title 24-A, ~~chapter~~
~~32~~ section 2661.

42 **STATEMENT OF FACT**

44 This bill repeals existing laws on preferred provider
46 arrangements to enable the use of managed care techniques as a
48 means to contain medical costs. Carriers will be required to
50 file descriptions of arrangements with the Superintendent of
Insurance.