

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

DATE: 3/24/94

(Filing No. H-917 )

**BANKING & INSURANCE**

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
116TH LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1122, L.D. 1521, Bill, "An Act Related to Multiple-employer Welfare Arrangements"

Amend the bill by inserting after the title and before the enacting clause the following:

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** many small Maine employers have experienced difficulty in locating affordable and suitable health care benefit coverage for themselves and their employees; and

**Whereas,** that difficulty in locating coverage has often left small Maine employers vulnerable to unscrupulous or incompetent persons purporting to be able to provide such coverage through arrangements that in reality do not exist or are not capable of providing the promised benefits; and

**Whereas,** many small Maine employers have been victimized by such arrangements, resulting in loss of funds paid by the employers and in uncovered medical bills for employees; and

**Whereas,** it has become clear that it is desirable for the Legislature to authorize a secure mechanism for small Maine employers to be able to enter into agreements for the mutual provision of health benefits for their employees; and

**COMMITTEE AMENDMENT**

R of S

COMMITTEE AMENDMENT "A" to H.P. 1122, L.D. 1521

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Further amend the bill in section 1 in that part designated "§6602." in subsection 1 in the 3rd, 5th and 6th lines (page 2, lines 33, 35 and 36 in L.D.) by striking out the following: "1994" and inserting in its place the following: '1995'

Further amend the bill in section 1 in that part designated "§6603." in subsection 1 by striking out all of paragraphs D and E (page 3, lines 43 to 47 in L.D.) and inserting in their place the following:

'D. May not be offered, advertised or available to employers or other members of the public generally;

E. Must be operated in accordance with sound actuarial principles;

F. Must comply with the requirements of chapter 36, governing continuity of health insurance coverage;

G. May not deny coverage to any otherwise eligible employer, employee or dependent on the basis of health status or claims experience; and

H. May issue only health care benefit plans that comply with the requirements of section 2808-B with regard to rating practices, coverage for late enrollees and guaranteed renewal and must provide health care benefits that meet the requirements for standard and basic plans as adopted by the Bureau of Insurance in Rule Chapter 750.'

Further amend the bill by inserting at the end before the statement of fact the following:

'Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

These multiple-employer welfare arrangements will be exempt from insurance premium taxes. A shift of currently taxable premiums to these arrangements will reduce General Fund revenue. The amounts can not be estimated at this time.

2018

2  
4  
6  
8  
10  
12  
14  
16  
18  
20  
22  
24  
26  
28  
30

The Bureau of Insurance will incur some minor additional costs to carry out its oversight and regulatory responsibilities relating to multiple-employer welfare arrangements. These costs can be absorbed within the bureau's existing budgeted resources.

The additional workload and administrative costs associated with the minimal number of new cases filed in the court system can be absorbed within the budgeted resources of the Judicial Department. The collection of additional fines may increase General Fund revenue by a minor amount.

**STATEMENT OF FACT**

This amendment requires multiple-employer welfare arrangements to issue only health care benefit plans that meet the requirements for small group health plans of the Maine Revised Statutes, Title 24-A, section 2808-B on rating practices, guaranteed renewal and coverage for late enrollees. They must comply with the continuity requirements of Title 24-A, chapter 36. They may not deny coverage on the basis of health status or claims experience. They must provide in any health care benefit plan issued the health care benefits required in the standard and basic plans of the Bureau of Insurance Rule Chapter 750.

The amendment also adds an emergency provision and a fiscal note to the bill.