

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

SECOND REGULAR SESSION-1994

Legislative Document

No. 1651

S.P. 592

In Senate, January 11, 1994

An Act to Promote Flexibility in Health Care Delivery Systems.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.
Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CONLEY of Cumberland.
Cosponsored by Senator: KIEFFER of Aroostook, Representatives: CARLETON of Wells,
ERWIN of Rumford, GWADOSKY of Fairfield, KUTASI of Bridgton, PINEAU of Jay.

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

4 **Sec. 1. 24 MRSA §2301, sub-§3-A is enacted to read:**

6 3-A. Affiliated health care plans. To own, establish,
8 merge with, administer, maintain and operate nonprofit health
10 care plans under which health care services may be provided by
12 institutions or persons licensed for that purpose to persons or
groups of persons. Such a plan that is a health maintenance
organization has all of the rights and powers of a separately
organized health maintenance organization under Title 24-A,
chapter 56.

14 **Sec. 2. 24-A MRSA §4214, sub-§1, as enacted by PL 1975, c.**
16 **503, is amended to read:**

18 1. An Notwithstanding any other provision of law, an
20 insurance company licensed in this State or a nonprofit hospital
22 or medical service organization may, either directly or through a
24 subsidiary or affiliate, establish, own, merge with, organize and
26 operate a health maintenance organization under this chapter.
Notwithstanding any other law which may be inconsistent herewith,
any 2 or more such insurance companies, or nonprofit hospital or
medical service organizations, or subsidiaries or affiliates
thereof may jointly organize and operate a health maintenance
organization.

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30 **STATEMENT OF FACT**

32 This bill clarifies the existing authority of insurers and
34 nonprofit hospitals or medical service organizations to own and
operate health maintenance organizations.

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40 This document has not yet been reviewed to determine the
42 need for cross-reference, stylistic and other technical
amendments to conform existing law to current drafting standards.