

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 425

S.P. 164

In Senate, February 6, 1995

An Act to Stabilize Health Insurance Rates for Small Businesses.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script, reading "May M. Ross", is positioned above the printed name and title.

MAY M. ROSS
Secretary of the Senate

Presented by Senator McCORMICK of Kennebec.

Cosponsored by Senator: O'DEA of Penobscot, Representative: CHASE of China.

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

Sec. 1. 24-A MRSA §2808-A, sub-§§1 and 2, as amended by PL 1991, c. 828, §24, are further amended to read:

1. Groups with 50 or fewer members. Except as provided in subsection 3, no insurer may charge group health insurance premium rates for groups with 50 or fewer ~~than--25~~ insured members, excluding dependents, that vary based on the claims experience of the group under the policy or based on the duration of the policy.

2. Subgroups; rate differentiation. Except as provided in subsection 3, no insurer may charge group health insurance premium rates on a basis that discriminates between different subgroups of a group according to the claims experience of the subgroup under the policy or based on the duration of the policy. The term "subgroup," as used in this section, refers to an employer with 50 or fewer ~~than--25~~ insured employees within a multiple employer trust, or to any similar subdivision of a larger group covered by a single group health insurance policy or contract.

Sec. 2. 24-A MRSA §2808-B, sub-§1, ¶¶D and H, as enacted by PL 1991, c. 861, §2, are amended to read:

D. "Eligible group" means any person, firm, corporation, partnership, association or subgroup engaged actively in a business that during at least 50% of its working days in the preceding calendar quarter employed 50 or fewer ~~than--25~~ eligible employees, the majority of whom are employed within the State. In determining the number of eligible employees, companies that are affiliated companies or that are eligible to file a combined tax return for purposes of state taxation are considered one employer. In the calculation of carrier percentage participation requirements, eligible employees and their dependents who have existing health care coverage may not be considered in the calculation.

H. "Subgroup" means an employer with 50 or 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.

STATEMENT OF FACT

This bill extends the community rating requirements to small groups of 50 or fewer members. Under current law, the community rating applies to groups with fewer than 25 insured members.