

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
117TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to H.P. 994, L.D. 1405, Bill, "An Act to Amend the Laws Concerning Health Insurance"

Amend the bill in part A by striking out all of section 2 and inserting in its place the following:

'Sec. A-2. 24 MRSA §2330, sub-§1-A, as amended by PL 1995, c. 189, §1, is further amended to read:

**1-A. Notification of cancellation.** A nonprofit hospital or medical service organization or nonprofit health care plan must provide by first class mail at least 10 days' prior notification of cancellation for nonpayment of subscription charges according to this section. The notice must include the date of cancellation of coverage and, if applicable, the time period for exercising contract conversion rights. Notification is not required when the nonprofit hospital or medical service organization or nonprofit health care plan has received written notice from the group contract holder or subgroup sponsor that replacement coverage has been obtained.

A. Notice must be mailed to the group contract holder or subgroup sponsor;

B. At the time of notification under paragraph A, notice must be mailed to the certificate holder at:

(1) The last address provided by the subgroup sponsor or the group contract holder to the nonprofit hospital or medical service organization or nonprofit health care plan; or

(2) The office of the subgroup sponsor, if any, or the group contract holder; and

C. Notice must be mailed to the Bureau of Insurance and to the--Bureau-of-Labor-Standards.'

Further amend the bill in Part F by striking out all of section 2 and inserting in its place the following:

'Sec. F-2. 24 MRSA §2349, sub-§3, as amended by PL 1995, c. 77, §1, is further amended to read:

3. **Exception for late enrollees.** Notwithstanding subsection 2, this section does not provide continuity of coverage for a late enrollee. A late enrollee may be excluded from coverage for not more than 12 months based on medical underwriting or preexisting conditions. For purposes of this section, a "late enrollee" is a person who requests enrollment in a group plan following the initial enrollment period provided under the terms of the plan, except that a person is not a late enrollee if:

A. The request for enrollment is made within 30 days after termination of coverage under a prior contract or policy and the individual did not request coverage initially under the succeeding contract, or terminated coverage under the succeeding contract, because that individual was covered under a prior contract or policy and coverage under that contract or policy ceased ~~due to~~ because the individual became ineligible for reasons other than fraud or material misrepresentation, including, but not limited to, termination of employment, termination of the group policy or group contract under which the individual was covered, death of a spouse or divorce;

B. A court has ordered that coverage be provided for a spouse or minor child under a covered employee's plan and the request for coverage is made within 30 days after issuance of the court order; or

C. That person was covered by the Maine High-Risk Insurance Organization on December 1, 1993 and the request for replacement coverage is made while coverage is in effect or within 30 days of the termination of coverage; or

D. That person was previously ineligible for coverage and the request for enrollment is made within 30 days of the date the person becomes eligible.

Further amend the bill in Part F by striking out all of section 5 and inserting in its place the following:

'Sec. F-5. 24-A MRSA §2849-B, sub-§3, as amended by PL 1995, c. 77, §2, is further amended to read:

**3. Exception for late enrollees.** Notwithstanding subsection 2, this section does not provide continuity of coverage for a late enrollee. A late enrollee may be excluded from coverage for not more than 12 months based on medical underwriting or preexisting conditions. For purposes of this section, a "late enrollee" is a person who requests enrollment in a group plan following the initial enrollment period provided under the terms of the plan, except that a person is not a late enrollee if:

A. The request for enrollment is made within 30 days after termination of coverage under a prior contract or policy and the individual did not request coverage initially under the succeeding contract or policy, or terminated coverage under the succeeding contract, because that individual was covered under a prior contract or policy and coverage under that contract or policy ceased ~~due--to~~ because the individual became ineligible for reasons other than fraud or material misrepresentation, including, but not limited to, termination of employment, termination of the group policy or group contract under which the individual was covered, death of a spouse or divorce;

B. A court has ordered that coverage be provided for a spouse or minor child under a covered employee's plan and the request for coverage is made within 30 days after issuance of the court order; ~~or~~

C. That person was covered by the Maine High-Risk Insurance Organization on December 1, 1993 and the request for replacement coverage is made while coverage is in effect or within 30 days of the termination of coverage; ~~or~~

D. That person was previously ineligible for coverage and the request for enrollment is made within 30 days of the date the person becomes eligible.'

#### STATEMENT OF FACT

This amendment is being presented on behalf of the Committee on Bills in the Second Reading to correct an incorrect history and to prevent a conflict by incorporating changes made to the

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2 Maine Revised Statutes, Title 24, section 2330, subsection 1-A  
and section 2349, subsection 3 and Title 24-A, section 2849-B,  
4 subsection 3 in Public Law 1995, chapters 77 and 189.

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8 SPONSORED BY: R C Rumford

(Representative CAMERON)

10 TOWN: Rumford