

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

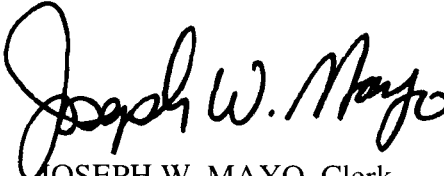
No. 1513

H.P. 1074

House of Representatives, May 9, 1995

An Act to Promote Additional Health Insurance Reform.

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


JOSEPH W. MAYO, Clerk

Presented by Speaker GWADOSKY of Fairfield.

Cosponsored by Representatives: CARLETON of Wells, MAYO of Bath, Senators: ESTY of Cumberland, KIEFFER of Aroostook.

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

2
4 **Sec. 1. 24 MRSA §2321, sub-§1**, as amended by PL 1991, c. 48, §1, is further amended to read:

6 **1. Filing of rate information.** Every Except as provided in
8 subsection 4, every nonprofit hospital and medical service
10 organization shall file with the superintendent,--except--as--to
12 group--subscriber--and--membership--contracts--other--than--group
14 Medicare--supplement--contracts--as--defined--in--Title--24--A,--chapter
16 67--and--group--nursing--home--or--long--term--care--contracts--as--defined
18 in--Title--24--A,--chapter--68, every rate, rating formula and every
20 modification of any of the foregoing that it proposes to use.
22 Every filing under this subsection must state the effective date
24 of the filing. Every filing under this subsection must be made
26 not less than 90 days in advance of the stated effective date
28 unless the 90-day requirement is waived by the superintendent and
30 the effective date may be suspended by the superintendent for a
32 period of time not to exceed 30 days. In--the--ease--of--nursing
34 home--and--long--term--contracts,--rates--filed--prior--to--August--1,
36 1986,--are--effective--until--no--later--than--August--1,--1989. Rates
38 filed on or after August 1, 1986, for these types of contracts
40 are effective for no more than 3 years, except that rates for
42 contracts with guaranteed level premiums are effective for the
44 duration of the contract.

26 **Sec. 2. 24 MRSA §2321, sub-§4** is enacted to read:

28 **4. Exceptions.** Rates for the following contracts and plans
30 are exempt from the requirements of subsection 1:

32 A. Rates for group subscriber and membership contracts
34 other than group Medicare supplement contracts as defined in
36 Title 24-A, chapter 67 and group nursing home or long-term
38 care contracts as defined in Title 24-A, chapter 68; and

40 B. Rates for individual health plans as defined in Title
42 24-A, section 2736-C, subsection 1, paragraph C.

40 **Sec. 3. 24-A MRSA §2155-A** is enacted to read:

42 **§2155-A. Dumping prohibited**

44 Employers and the Medicaid program are prohibited from
46 purchasing or causing to be purchased individual health insurance
48 coverage for any individual, employee or dependent who is
50 eligible for or enrolled in group health insurance coverage or
 Medicaid. Employers and the Medicaid program are prohibited from
 transferring or causing to be transferred to individual health
 insurance coverage any individual, employee or dependent who is

2 eligible for or enrolled in group health insurance coverage or
3 Medicaid.

4 **Sec. 4. 24-A MRSA §2736, sub-§1**, as repealed and replaced by
5 PL 1985, c. 648, §10, is amended to read:

6
7 **1. Filing of rate information.** Every Except as provided in
8 subsection 3, every insurer shall file with the superintendent,
9 ~~except as to group policy rates other than those for group~~
10 ~~Medicare supplement policies as defined in chapter 67 and group~~
11 ~~nursing home care and long term care insurance as defined in~~
12 ~~chapter 68,~~ every rate, rating formula, classification of risks
13 and every modification of any formula or classification which
14 that it proposes to use. Every such filing must state the
15 effective date of the filing. Every such filing shall ~~must~~ be
16 made not less than 60 days in advance of the stated effective
17 date, unless the 60-day requirement is waived by the
18 superintendent, and the effective date may be suspended by the
19 superintendent for a period of time not to exceed 30 days. ~~In the~~
20 ~~case of nursing home care and long term care insurance policies,~~
21 ~~rates filed prior to August 1, 1986, shall be effective until no~~
22 ~~later than August 1, 1989.~~ Rates filed on or after August 1,
23 1986, for these types of policies shall ~~be~~ are effective for no
24 more than 3 years, except that rates for contracts with
25 guaranteed level premiums shall ~~be~~ are effective for the duration
26 of the contract.

28 **Sec. 5. 24-A MRSA §2736, sub-§3** is enacted to read:

29 **3. Exceptions.** Rates for the following policies and plans
30 are exempt from the requirements of subsection 1:

31
32 A. Group policy rates other than those for group Medicare
33 supplement policies as defined in chapter 67 and group
34 nursing home care and long-term care insurance as defined in
35 chapter 68; and

36
37 B. Rates for individual health plans as defined in section
38 2736-C, subsection 1, paragraph C.

39
40 **Sec. 6. 24-A MRSA §2736-C, sub-§3, ¶A**, as enacted by PL 1993,
41 c. 477, Pt. C, §1 and affected by Pt. F, §1, is amended to read:

42
43 A. Coverage must be guaranteed to all individuals except
44 individuals who are eligible for or enrolled in group
45 coverage or the Medicaid program.

46
47 **Sec. 7. 24-A MRSA §2808-B, sub-§1, ¶D**, as enacted by PL 1991,
48 c. 861, §2, is amended to read:

2 D. "Eligible group" means any person, firm, corporation,
3 partnership, association or subgroup engaged actively in a
4 business that during at least 50% of its working days in the
5 preceding calendar quarter employed fewer than 25 eligible
6 employees, the majority of whom are employed within the
7 State. In determining the number of eligible employees,
8 companies that are affiliated companies or that are eligible
9 to file a combined tax return for purposes of state taxation
10 are considered one employer. In the calculation of carrier
11 percentage participation requirements, eligible employees
12 and their dependents who have existing group health care
13 coverage may not be considered in the calculation.
14

15 **Sec. 8. Applicability.** This Act applies to all policies, plans,
16 contracts and certificates executed, delivered, issued for
17 delivery, continued or renewed in this State on or after November
18 1, 1995. For purposes of this Act, all contracts are deemed
19 renewed no later than the next anniversary of the contract date.
20

21 **STATEMENT OF FACT**

22
23 **24** This bill eliminates the requirement of prior approval of
25 rates for individual health insurers and nonprofit hospital and
26 medical service organizations. It prohibits employers and the
27 Medicaid program from purchasing individual health insurance or
28 transferring to individual health insurance any individual,
29 employee or dependent who is enrolled in or eligible for group
30 health insurance coverage or the Medicaid program. In the
31 calculation of participation requirements in the group health
32 market, it excludes persons enrolled in group health insurance.
33 It requires that guaranteed issuance of individual health
34 insurance applies to all persons except those who are enrolled in
or eligible for group health insurance.