



117th MAINE LEGISLATURE

SECOND REGULAR SESSION-1996

Legislative Document

No. 1789

H.P. 1308

House of Representatives, February 15, 1996

An Act to Clarify the Guaranteed Issuance Requirements for Small Group Health Plans.

Reported by Representative VIGUE for the Joint Standing Committee on Banking and Insurance pursuant to Public Law 1995, chapter 332, Part Q, section 1. Reference to the Joint Standing Committee on Banking and Insurance suggested and printing ordered under Joint Rule 20.

JOSEPH W. MAYO, Clerk

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

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Sec. 1. 24-A MRSA §2808-B, sub-§4, ¶A, as amended by PL 1995, 4 c. 332, Pt. D, §2, is further amended to read:

A. Coverage must be guaranteed to all eligible groups that 6 meet the carrier's minimum participation requirements, which may not exceed 75%, and to all eligible employees and their 8 dependents in those groups. If an employee declines 10 coverage because the employee has other coverage, any dependents of that employee who are not eligible under the 12 employee's other coverage are eligible for coverage under the small group health plan. The employer's right to guaranteed issuance is limited to one indemnity plan and one 14 health maintenance organization plan. If more than one plan is offered, any participation requirements must be based on 16 the number covered under both plans combined.

STATEMENT OF FACT

This bill is introduced by the Joint Standing Committee on Banking and Insurance pursuant to Public Law 1995, chapter 332, Part Q, section 1. The bill clarifies the guaranteed issuance requirements for small group health plans. The bill extends the employer's right to guaranteed issuance of the small group plan to one indemnity plan and one health maintenance organization plan. It also provides that any participation requirement must be based on the total number of eligible employees and their dependents covered under both plans.