

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 1566

S.P. 504

In Senate, March 18, 1997

**An Act to Require Blue Cross and Blue Shield of Maine to Report
Annually to the Legislature Regarding the Fulfillment of Its Charitable
Mission.**

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 MILLS of Somerset.

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

4 **Sec. 1. 24 MRSA §2311-A is enacted to read:**

6 **§2311-A. Annual report to Legislature**

8 A corporation subject to this chapter shall report to the
10 Legislature annually by January 15th on the measures it is taking
12 to fulfill its charitable and benevolent purposes under section
14 2311 that justify the corporation's various exemptions from
16 property, sales, income and excise taxation.

18 **Sec. 2. Annual reports of nonprofit hospital service organizations due**
20 **in 1998 and 1999.** The annual reports of nonprofit hospital service
22 organizations required pursuant to the Maine Revised Statutes,
24 Title 24, section 2311-A that are due in 1998 and 1999 must
26 address the following issues:

28 **1. Availability of means-tested adjustments.** The
30 availability of means-tested adjustments to premiums, deductibles
32 and copayments to accommodate the health care needs of low-income
34 residents of this State;

36 **2. Availability of below-market rate adjustments.** The
38 availability of below-market rate adjustments to make extension
40 of coverage for children more affordable to families and group
42 subscribers in this State;

44 **3. Efforts to attain tax-free status.** Efforts by the
46 corporation to attain tax-free status under the United States
48 Internal Revenue Code in order to preserve more of its revenue
for use in fulfilling its statewide charitable purposes;

4. Creation of federally tax-free entity. The feasibility
of creating a federally tax-free entity to extend affordable
health care coverage to more citizens of this State.

5. Shared risk of deficiencies in low-cost health
insurance. Arrangements with providers in which the risk of
deficiencies in low-cost health insurance for the poor is shared
with member health care providers in order to extend health care
coverage to low-income citizens of this State and thus reduce the
incidence of uninsured and uncompensated care.

46 **SUMMARY**

48 This bill requires that nonprofit hospital service
organizations, such as Blue Cross and Blue Shield of Maine,

2 annually report to the Legislature regarding the fulfillment of
the corporation's purposes as a charitable and benevolent
institution.