

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 1664

S.P. 546

In Senate, March 26, 1997

**An Act to Require Bids from Health Care Providers for State Employees  
to Include Medicaid Coverage.**

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

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator PINGREE of Knox.  
Cosponsored by Representative SAXL of Portland and  
Representative: VOLENIK of Brooklin.

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

2           **Sec. 1. 5 MRSA §285, sub-§5**, as amended by PL 1995, c. 368,  
4 Pt. G, §1, is further amended to read:

6           **5. Purchase of policies.** The commission shall purchase, by  
7 competitive bidding, from one or more insurance companies,  
8 nonprofit organizations, 3rd-party administrators or any  
9 organization necessary that meets the requirements of Title 22,  
10 section 3173-F, to administer and provide a health plan, a policy  
11 or policies or contract, to provide the benefits specified by  
12 this section. The purchase of policies by the commission must be  
13 accomplished by use of a written contract that must be fully  
14 executed within 90 calendar days of notification of bid  
15 acceptance from the commission to the insurer. In extenuating  
16 circumstances, the Commissioner of Administrative and Financial  
17 Services may grant a waiver to that 90-day limit.  
18 Notwithstanding this subsection, with the consent of the  
19 policyholder and of the insurer and at the sole discretion of the  
20 commission, existing policies of insurance covering at least  
21 1,000 of the employees defined as eligible by this section may be  
22 amended to provide the benefits specified by this section and  
23 assigned to the Commissioner of Administrative and Financial  
24 Services for the benefit of all those eligible under this  
25 section. The company or companies or nonprofit organizations  
26 must be licensed under the laws of the State, when applicable.  
27 The policy provisions are subject to and as provided for by the  
28 insurance laws of this State, when applicable. Notwithstanding  
29 any other provisions of law, the term of a contract executed with  
30 a successful bidder may not exceed 3 years.

32           **Sec. 2. 22 MRSA §3173-F** is enacted to read:

34           **§3173-F. Bids for participation in Medicaid program as condition**  
35 **of participation in state employee health care program**

36           Any insurance company, nonprofit hospital, medical or health  
37 care service organization, health maintenance organization,  
38 3rd-party administrator or any other organization that  
39 administers and operates a health plan shall bid, under any  
40 request-for-proposal or other competitive bidding process  
41 established by the department, for a contract to participate in  
42 the Medicaid program set forth in this chapter as a condition of  
43 submitting a competitive bid to participate as a contractor in  
44 any health insurance plans and programs for state employees  
45 established under Title 5, section 285. Any organization that  
46 administers and operates a health plan and participates as both a  
47 contractor in the Medicaid program and any health insurance plans  
48 and programs for state employees shall maintain a separate risk  
49 pool between the Medicaid population and state employees.  
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## SUMMARY

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6       This bill requires any insurance company, nonprofit  
8       hospital, medical or health care service organization, health  
10       maintenance organization, 3rd-party administrator or any other  
12       organization administering and operating a health care plan that  
      bids for participation in the state employee health insurance  
      program to also bid for participation in the Medicaid program.  
      It also provides that any organization that participates as a  
      contractor in both programs must maintain a separate risk pool  
      between the Medicaid population and state employees.