

# MAINE STATE LEGISLATURE

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MAJORITY  
BANKING AND INSURANCE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
118TH LEGISLATURE  
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1278, L.D. 1808, Bill, "An Act to Make Maine Health Insurance Laws Consistent with Federal Laws"

Amend the bill by inserting before section 1 the following:

'Sec. 1. 24 MRSA §2327-A, as amended by PL 1995, c. 332, Pt. L, §1, is further amended to read:

§2327-A. Applicability

Title 24-A, sections 2803 and, 2808-B and 2834-B apply to nonprofit hospital corporations, nonprofit medical service corporations and nonprofit health care plans to the extent not inconsistent with this chapter.'

Further amend the bill in section 8 in paragraph A in the first paragraph in the 2nd line from the end (page 2, line 24 in L.D.) by inserting after the following: "State." the following: 'Except for federally eligible individuals, coverage need not be issued to an individual whose coverage was terminated for nonpayment of premiums during the previous 91 days or for fraud or intentional misrepresentation of material fact during the previous 12 months.'

Further amend the bill in section 11 in paragraph D by striking out all of subparagraph (3).

Further amend the bill in section 13 in subsection 2 in the 4th line (page 4, line 14 in L.D.) by inserting after the following: "1998 to" the following: 'eligible' and in the 4th

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line (page 4, line 14 in L.D.) by striking out the following "or more" and inserting in its place the following: 'to 50'

Further amend the bill in section 13 in subsection 2 in paragraph D-1 in the 2nd line (page 5, line 9 in L.D.) by striking out the following "or more" and inserting in its place the following: 'to 50'

Further amend the bill by inserting after section 17 the following:

'Sec. 18. 24-A MRSA §2834-B is enacted to read:

**§2834-B. Dependent special enrollment period**

**1. Application.** This section applies to all group and blanket medical insurance policies issued by nonprofit hospital or medical service organizations, insurers or health maintenance organizations except hospital indemnity, specified accident, specified disease and long-term care policies.

**2. Definition.** For purposes of this section, an "eligible individual" is a person who is a certificate holder under the policy or who has met any waiting period applicable to becoming a certificate holder and is eligible to be enrolled under the policy but for a failure to enroll during a previous enrollment period.

**3. Requirement.** If a policy makes coverage available with respect to dependents of certificate holders, the policy must provide for a dependent special enrollment period when a person becomes a dependent of an eligible individual through marriage, birth or adoption or placement for adoption. During this period, the new dependent may be enrolled under the plan as a dependent of the eligible individual and, in the case of the birth or adoption of a child, the spouse of the eligible individual may be enrolled as a dependent if otherwise eligible for coverage. If the eligible individual is not already enrolled, the individual may enroll during this period.

**4. Length of period.** A dependent special enrollment period under this section must be a period of not less than 30 days and must begin on the later of:

A. The date dependent coverage is made available; or

B. The date of the marriage, birth or adoption or placement for adoption.

2 5. No waiting period. If an individual seeks to enroll a  
3 dependent during the first 30 days of a dependent special  
4 enrollment period, the coverage of the dependent becomes  
5 effective:

6 A. In the case of marriage, no later than the first day of  
7 the first month beginning after the date the completed  
8 request for enrollment is received;

10 B. In the case of a dependent's birth, as of the date of  
11 the birth; or

12 C. In the case of a dependent's adoption or placement for  
13 adoption, as of the date of the adoption or placement for  
14 adoption.'

16 Further amend the bill in section 18 in subsection 1-C by  
17 striking out all of paragraph D and inserting in its place the  
18 following:

20 'D. Whose most recent creditable coverage was not  
21 terminated based on nonpayment of premiums, fraud or  
22 intentional misrepresentation of material fact; and'

24 Further amend the bill in section 22 in subsection 6 in the  
25 2nd line (page 11, line 31 in L.D.) by inserting after the  
26 following: "paragraph C" the following: 'a requirement'

28 Further amend the bill by striking out all of section 23 and  
29 inserting in its place the following:

32 'Sec. 23. 24-A MRSA §2849-B, sub-§2, as amended by PL 1995, c.  
33 673, Pt. B, §3, is further amended to read:

34 2. Persons provided continuity of coverage. Except as  
35 provided in subsection 3, this section provides continuity of  
36 coverage for a person who seeks coverage under an individual or a  
37 group insurance policy or health maintenance organization policy  
38 if:

40 A. That person was covered under an individual or group  
41 contract or policy, ~~except for a short-term contract,~~ issued  
42 by any nonprofit hospital or medical service organization,  
43 insurer, health maintenance organization, or was covered  
44 under an uninsured employee benefit plan that provides  
45 payment for health services received by employees and their  
46 dependents or a governmental program ~~such as Medicaid, the~~  
47 Maine Health Program, ~~as established in Title 22, section~~  
48 3189, ~~the Maine High Risk Insurance Organization, as~~  
49 established ~~in section 6052 or the Civilian Health and~~  
50 established in section 6052 or the Civilian Health and

Medical Program of the Uniformed Services, --10 United States Code, --Section 1072, --Subsection 4, including, but not limited to, those listed in section 2848, subsection 1-B, paragraph A, subparagraphs (3) to (10). For purposes of this section, the individual or group policy under which the person is seeking coverage is the "succeeding policy." The group or individual contract or policy or the uninsured employee benefit plan that previously covered the person is the "prior contract or policy";

B. Coverage under the prior contract or policy terminated:

(1) Within 180 days before the date the person enrolls or is eligible to enroll in the succeeding contract if:

(a) Coverage was terminated due to unemployment, as defined in Title 26, section 1043;

(b) The person was eligible for and received unemployment compensation benefits for the period of unemployment, as provided under Title 26, chapter 13; and

(c) The person is employed at the time replacement coverage is sought under this provision; or

(2) Within ~~3 months~~ 90 days before the date the person enrolls or is eligible to enroll in the succeeding contract.

A period of ineligibility for any health plan imposed by terms of employment may not be considered in determining whether the coverage ended within a time period specified under this section; and or

~~G. This section does not apply to replacements of group coverage within the scope of section 2849.~~

D. Coverage under the prior contract or policy was a Medicare supplement policy as defined in section 5001, subsection 4, but only if:

(1) The policy was issued during the open enrollment period pursuant to section 5005 or section 5010; or

(2) The policy was issued to replace an earlier policy issued by the same or a different carrier and the insured had continuous coverage beginning in the insured's open enrollment period with no gap in

2 coverage in excess of 90 days, then the waiver of  
3 medical underwriting and preexisting conditions  
4 exclusions required by subsection 4 apply only to the  
5 extent that benefits would have been payable under each  
6 of the prior policies if those policies were still in  
7 force.

8 This section does not apply to replacements of group coverage  
9 within the scope of section 2849 or if the succeeding policy is  
10 an individual policy and the prior contract or policy was a  
11 short-term policy.

12 **Sec. 24. 24-A MRSA §2849-B, sub-§3, ¶A,** as amended by PL 1995,  
13 c. 332, Pt. F, §5, is repealed and the following enacted in its  
14 place:

15 A. The request for enrollment is made within 30 days after  
16 termination of coverage under a prior contract or policy and  
17 the individual did not request coverage initially under the  
18 succeeding contract or policy or terminated coverage under  
19 the succeeding contract because that individual was covered  
20 under a prior contract or policy and:

21 (1) Coverage under that contract or policy ceased  
22 because the individual became ineligible for reasons  
23 other than fraud or material misrepresentation,  
24 including, but not limited to, termination of  
25 employment, termination of the group policy or group  
26 contract under which the individual was covered, death  
27 of a spouse or divorce; or

28 (2) Employer contributions toward that coverage were  
29 terminated;

30 Further amend the bill in section 24 in subsection 4-A in  
31 the 2nd line (page 12, line 15 in L.D.) by inserting after the  
32 following: "subsection 4" the following: 'a requirement'

33 Further amend the bill in section 26 in subsection 2 in  
34 paragraph E in the last line (page 13, line 20 in L.D.) by  
35 inserting after the following: "information." the following:  
36 'For the purposes of this paragraph, "genetic information" has  
37 the same meaning as set forth in the Code of Federal Regulations.'

38 Further amend the bill in section 27 in that part designated  
39 "§2850-B." in subsection 3 in paragraph F in the last line (page  
40 14, line 34 in L.D.) by striking out the following: "or"

41 Further amend the bill in section 27 in that part designated  
42 "§2850-B." in subsection 3 in paragraph G in the last line (page  
43 14, line 34 in L.D.) by striking out the following: "or"

15, line 34 in L.D.) by striking out the following:  
2 "replacement." and inserting in its place the following:  
3 "replacement; or"

4  
5 Further amend the bill in section 27 in that part designated  
6 "§2850-B." in subsection 3 by inserting at the end the following:

7  
8 'H. In renewing a policy in accordance with this section, a  
9 carrier may modify the coverage, terms and conditions of the  
10 policy consistent with other applicable provisions of state  
11 and federal laws as long as the modifications are applied  
12 uniformly to all policyholders of the same product. This  
13 paragraph does not apply to individual or small group  
14 policies.'

15 Further amend the bill by inserting after section 27 the  
16 following:

17  
18 'Sec. 28. 24-A MRSA §4222-B, sub-§11 is enacted to read:

19  
20 11. The requirements of sections 2834 and 2834-B apply to  
21 health maintenance organizations.'

22  
23 Further amend the bill by relettering or renumbering any  
24 nonconsecutive Part letter or section number to read  
25 consecutively.

26  
27 Further amend the bill by inserting at the end before the  
28 summary the following:

29  
30  
31  
32 **FISCAL NOTE**

33  
34 The state employees' health insurance program will incur  
35 some minor additional costs related to the prohibition on  
36 designating pregnancy as a preexisting condition. These costs  
37 are not expected to affect the amounts budgeted by state  
38 departments and agencies for state employee health insurance.

39  
40 The Bureau of Insurance within the Department of  
41 Professional and Financial Regulation will incur some minor  
42 additional costs to adopt certain rules, to administer certain  
43 statutory requirements and to review new filings. These costs  
44 can be absorbed within the bureau's existing budgeted resources.'

45  
46 **SUMMARY**

47  
48 This amendment is the majority report of the Joint Standing  
Committee on Banking and Insurance. It adds a statutory provision

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2 to comply with the "special enrollment period" of the federal  
law. Although the federal law addresses long-term care  
4 insurance, health care fraud and other issues as well as health  
insurance, the amendment and the bill address health insurance  
6 only and do not apply to disability or long-term care insurance.  
The amendment clarifies the guaranteed issuance, guaranteed  
8 renewal and continuity of coverage health insurance laws and  
makes technical changes.

10 The amendment also adds a fiscal note to the bill.