

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: 5-21-97

(Filing No. H-611)

MINORITY
BANKING AND INSURANCE

Reproduced and distributed under the direction of the Clerk of the House.

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

COMMITTEE AMENDMENT "B" 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

COMMITTEE AMENDMENT

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.

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

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

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

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

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

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

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

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

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

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

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

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

10 B. Coverage under the prior contract or policy terminated:

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

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

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

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

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

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

29 ~~C.---This section does not apply to replacements of group~~
30 ~~coverage within the scope of section 2849.~~

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

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

36 (2) The policy was issued to replace an earlier policy
37 issued by the same or a different carrier and the
38 insured had continuous coverage beginning in the
39 insured's open enrollment period with no gap in
40

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

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

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

31
32 (2) Employer contributions toward that coverage were
33 terminated;'

34
35 Further amend the bill in section 24 in subsection 4-A in
36 the 2nd line (page 12, line 15 in L.D.) by inserting after the
37 following: "subsection 4" the following: 'a requirement'

38
39 Further amend the bill in section 26 in subsection 2 in
40 paragraph B by striking out all of the last line (page 13, line 8
41 in L.D.) and inserting in its place the following: 'An
42 exclusion may not be imposed relating to pregnancy as a
43 preexisting condition.'

44
45 Further amend the bill in section 26 in subsection 2 in
46 paragraph E in the last line (page 13, line 20 in L.D.) by
47 inserting after the following: "information." the following:
48 'For the purposes of this paragraph, "genetic information" has
49 the same meaning as set forth in the Code of Federal Regulations.'

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

Further amend the bill in section 27 in that part designated "§2850-B." in subsection 3 in paragraph G in the last line (page 15, line 34 in L.D.) by striking out the following: "replacement." and inserting in its place the following: "replacement; or"

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

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

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

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

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

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

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

FISCAL NOTE

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

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

2
4
6
8
10
12

SUMMARY

This amendment is the minority report of the Joint Standing Committee on Banking and Insurance. It differs from the majority report because it extends the prohibition against imposing a preexisting condition exclusion related to a pregnancy for group insurance policies and contracts contained in the bill to individual policies and contracts as well.

The amendment also adds a fiscal note to the bill.