

# MAINE STATE LEGISLATURE

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DATE: 5-28-97

(Filing No. H-726)

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

HOUSE AMENDMENT "E" to H.P. 1338, L.D. 1887, Bill, "An Act Regarding Health and the Prevention of Smoking"

Amend the bill by striking out the title and substituting the following:

'An Act to Establish the Maine Healthy Kids Corporation'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 24-A MRSA c. 83 is enacted to read:

CHAPTER 83

MAINE HEALTHY KIDS CORPORATION

§6651. Maine Healthy Kids Corporation

1. Establishment. The Maine Healthy Kids Corporation, a nonprofit corporation, is established. The Maine Healthy Kids Corporation, organized pursuant to Title 13-B, has all powers necessary to carry out the purposes of this section, including, but not limited to, the power to receive and accept grants, loans or advances of funds from any public or private agency and to receive and accept from any source contributions of money, property, labor or any other thing of value, to be held, used and applied for the purposes of this section.

2. Duties. The Maine Healthy Kids Corporation shall:

- 2       A. Phase in a program to facilitate the provision of  
4       preventive health care services and comprehensive health  
6       insurance coverage first to children under 19 years of age  
8       when the family income is below 150% of the nonfarm income  
10       official poverty line for a family of the size involved, as  
12       defined by the federal Office of Management and Budget and  
14       revised annually in accordance with the United States  
16       Omnibus Budget Reconciliation Act of 1981, Section 673,  
18       Subsection 2 then, if funding permits, to other children  
20       under 19 years of age;
- 22       B. Determine the best means to provide for payment for  
24       preventive health care services or premiums for  
26       comprehensive insurance coverage and for the actual or  
28       estimated administrative expenses incurred during the period  
30       for which family or employer payments are made. The program  
32       must include a sliding scale of premiums and copayments  
34       based on the ability of a parent or guardian to pay;
- 36       C. Establish the administrative and accounting procedures  
38       for the operation of the corporation;
- 40       D. Establish, with consultation from appropriate  
42       professional organizations, standards for preventive health  
44       services and providers and comprehensive insurance benefits  
46       appropriate to children;
- 48       E. Establish eligibility criteria that children must meet  
50       in order to participate in the program;
- F. Establish procedures under which applicants to and  
      participants in the program may have grievances reviewed by  
      an impartial body and reported to the board of directors of  
      the corporation;
- G. Establish participation criteria and, if appropriate,  
      contract with an authorized insurer, health maintenance  
      organization or insurance administrator to provide  
      administrative services to the corporation;
- H. Contract with authorized insurers or any provider of  
      health care services, meeting standards established by the  
      corporation, for the provision of comprehensive insurance  
      coverage and preventive health care services to participants;
- I. Develop and implement a plan to publicize the Maine  
      Healthy Kids Corporation, the eligibility requirements of  
      the program and the procedures for enrollment in the program  
      and maintain public awareness of the corporation and program;

2 J. Secure staff necessary to properly administer the  
3 corporation. The board of directors shall determine the  
4 number of staff members necessary to administer the  
5 corporation;

6 K. Apply, in cooperation with the Department of Human  
7 Services, for any Medicaid waivers necessary to implement  
8 this section; and

10 L. Provide a report on an annual basis to the Governor,  
11 superintendent, Commissioner of Human Services, President of  
12 the Senate, Speaker of the House of Representatives and  
13 minority leaders of the Senate and the House. The first  
14 report must be submitted no later than December 1, 1997.

16 3. Secondary coverage. Coverage under the corporation's  
17 program is secondary to any other available private coverage held  
18 by the participant child or family member. The corporation may  
19 establish procedures for coordinating benefits under the program  
20 developed pursuant to this section with benefits under other  
21 public and private coverages.

22 4. Board of directors. The board of directors of the  
23 corporation is established and consists of 11 members, to be  
24 appointed as follows:

26 A. Commissioner of Human Services or the commissioner's  
27 designee;

30 B. The superintendent or the superintendent's designee;

32 C. One member appointed by the Governor from among 3  
33 members nominated by an association representing  
34 pediatricians;

36 D. One member appointed by the superintendent from among 3  
37 members nominated by an association representing hospitals;

38 E. Two members appointed by the superintendent who are  
39 representatives of health care insurers or health  
40 maintenance organizations;

42 F. One member appointed by the Commissioner of Education  
43 from the Maine School Health Education Committee;

46 G. One member appointed by the Governor from among the 3  
47 nominees of an association representing family physicians;  
48

2 H. One member appointed by the Governor who represents the  
major statewide agency representing community health  
administrators;

4  
6 I. The Director of the Bureau of Health or the director's  
designee; and

8 J. One member of the public appointed by the Governor.

10 Members serve a term of 3 years, except that, of those members  
appointed in the organizational year, 3 serve a term of 2 years,  
12 4 serve a term of 3 years and 4 serve a term of 4 years.

14 A member may be removed by the official who appointed that  
member. The board shall appoint an executive director who is  
16 responsible for other staff authorized by the board. The  
superintendent or the superintendent's designee shall serve as  
18 chair of the board.

20 Board members are entitled to receive, from funds of the  
corporation, reimbursement for per diem and travel expenses.

22 There is no liability on the part of and no cause of action may  
24 arise against any member of the board of directors or its  
employees or agents for any action they take in the performance  
26 of their powers and duties under this section.

28 5. Licensing not required. The following provisions govern  
the operation of the corporation.

30 A. The corporation is not an insurer. The officers,  
32 members of the board of directors and employees of the  
corporation may not be deemed to be agents of an insurer.  
34 Neither the corporation nor any officer, member of the board  
of directors or employee of the corporation is subject to  
36 the licensing requirements of the insurance laws or the  
rules of the bureau.

38 B. The board of directors has complete fiscal control over  
40 the corporation and is responsible for all corporate  
operations.

42 C. The bureau shall supervise any liquidation or  
44 dissolution of the corporation and has, with respect to any  
liquidation or dissolution, all power granted to it pursuant  
46 to the insurance laws.

48 6. Access to records; confidentiality. Notwithstanding any  
other provision of law, the Maine Healthy Kids Corporation may  
50 have access to the medical records of a child upon receipt of

2 permission from a parent or guardian of the child. These medical  
 4 records may be maintained by state and local agencies. Any  
 6 identifying information, including medical records and family  
 8 financial information, obtained by the corporation pursuant to  
 10 this subsection is confidential. Neither the corporation nor the  
staff or agents of the corporation may release, without the  
written consent of the participant or the parent or guardian of  
the participant, to any state or federal agency, to any private  
business or person or to any other entity, any confidential  
information received pursuant to this subsection.

12 **Sec. 2. Appropriation.** The following funds are appropriated  
 14 from the General Fund to carry out the purposes of this Act.

1997-98

16 **HUMAN SERVICES, DEPARTMENT OF**  
 18 **Bureau of Medical Services**

20 All Other \$50,000  
 22 Provides funds to support a portion of the  
 24 estimated cost of applying for a Medicaid  
 26 waiver.

28 **Sec. 3. Allocation.** The following funds are allocated from the  
 Federal Expenditure Fund to carry out the purposes of this Act.

1997-98

32 **HUMAN SERVICES, DEPARTMENT OF**  
 34 **Bureau of Medical Services**

36 All Other \$50,000  
 38 Provides funds to support a portion of the  
 40 estimated cost of applying for a Medicaid  
 waiver.'

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

46 **FISCAL NOTE**

1997-98

2 APPROPRIATIONS/ALLOCATIONS

4	General Fund	\$50,000
	Other Funds	50,000

8 REVENUES

10	Other Funds	\$50,000
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12  
 14 The cost of establishing the Maine Healthy Kids Corporation  
 16 can not be estimated at this time and will depend on the cost and  
 18 timing of the benefit package provided, the availability of other  
 20 funding sources and on the associated administrative costs. If  
 22 the corporation is able to provide benefits at a cost comparable  
 to Medicaid, \$10,000,000 to \$11,000,000 per year will be  
 required. This estimate does not include administrative costs  
 and other one-time costs that will be required to establish and  
 maintain the corporation.

24 The Department of Human Services will also incur additional  
 26 costs to prepare the required waiver request in conjunction with  
 the Maine Healthy Kids Corporation. The actual increase in  
 administrative costs will depend on the level of technical and  
 actuarial assistance required. The department estimates that an  
 additional \$100,000 will be needed. This bill provides that  
 level of funding through a \$50,000 General Fund appropriation and  
 a \$50,000 Federal Expenditure Fund allocation in fiscal year  
 1997-98.'

34 SUMMARY

36 This amendment replaces the bill. The amendment establishes  
 38 the Maine Healthy Kids Corporation, a nonprofit corporation, to  
 develop a plan to facilitate the provision of preventive health  
 40 care services and comprehensive health insurance coverage to  
 children under 19 years of age. This plan must include a sliding  
 42 scale of premiums and copayments based on the ability of a parent  
 or guardian to pay. The corporation must issue its first report

R. W. S.

HOUSE AMENDMENT "E" to H.P. 1338, L.D. 1887

2 no later than December 1, 1997. The amendment removes the  
increase in the cigarette tax as proposed in the bill.

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SPONSORED BY: John Winn  
(Representative WINN)

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TOWN: Glenburn

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**HOUSE AMENDMENT**