

MAINE STATE LEGISLATURE

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M
P. of S.

L.D. 1898

DATE: 6-1-97

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

HOUSE AMENDMENT "A" to H.P. 1352, L.D. 1898, Bill, "An Act to Discourage Smoking by Maine's Youth"

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

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

42
44 C. The bureau shall supervise any liquidation or
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

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

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

14 1997-98

16 **HUMAN SERVICES, DEPARTMENT OF**

17 **Bureau of Medical Services**

18 All Other \$50,000

19 Provides funds to support a portion of the
20 estimated cost of applying for a Medicaid
21 waiver.

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

24 1997-98

25 **HUMAN SERVICES, DEPARTMENT OF**

26 **Bureau of Medical Services**

27 All Other \$50,000

28 Provides funds to support a portion of the
29 estimated cost of applying for a Medicaid
30 waiver.'

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

33 **FISCAL NOTE**

34 1997-98

RWS.

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
 28 the Maine Healthy Kids Corporation. The actual increase in
 30 administrative costs will depend on the level of technical and
 32 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
 40 develop a plan to facilitate the provision of preventive health
 care services and comprehensive health insurance coverage to
 42 children under 19 years of age. This plan must include a sliding
 scale of premiums and copayments based on the ability of a parent
 or guardian to pay. The corporation must issue its first report

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HOUSE AMENDMENT "A" to H.P. 1352, L.D. 1898

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

SPONSORED BY: Julie Winn
(Representative WINN)

TOWN: Glenburn