

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1998

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Legislative Document

No. 2190

S.P. 811

In Senate, February 2, 1998

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**An Act to Implement the Recommendations of the Blue Ribbon  
Commission to Study the Effects of Government Regulation and Health  
Insurance Costs on Small Businesses in Maine.**

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Reported by Senator MACKINNON of York for the Blue Ribbon Commission to Study the Effects of Government Regulation and Health Insurance Costs on Small Businesses in Maine pursuant to Resolve 1997, chapter 85.

Reference to the Committee on Banking and Insurance suggested and ordered printed pursuant to Joint Rule 218.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

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

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Sec. 1. 24-A MRSA §1951, sub-§2, as enacted by PL 1995, c. 673, Pt. A, §3, is amended to read:

2. Private purchasing alliance. "Private purchasing alliance" or "alliance" means a nonprofit corporation licensed pursuant to this section established under Title 13-A or Title 13-B to provide health insurance to its members through multiple unaffiliated participating carriers.

Sec. 2. 24-A MRSA §1953, first ¶, as enacted by PL 1995, c. 673, Pt. A, §3, is amended to read:

In addition to the powers granted in Title 13-A or Title 13-B, an alliance may do any of the following:

Sec. 3. 24-A MRSA §1955, sub-§§1 and 3, as enacted by PL 1995, c. 673, Pt. A, §3, are amended to read:

1. Restricted activities. An alliance may not purchase health care services, assume risk for the cost or provision of health care services or otherwise contract with health care providers for the provision of health care services to enrollees without the prior approval of the superintendent.

3. Conflict of interest. A person may not be a board member, officer or employee of an alliance if that person is employed as or by, is a member of the board of directors of, is an officer of, or has a material direct or indirect ownership interest in a carrier, or health care provider or insurance agency or brokerage. A person may not be a board member or officer of an alliance if a member of that person's household is a member of the board of directors of, is an officer of or has a material direct or indirect ownership interest in a carrier, or health care provider or insurance agency or brokerage. A board member, officer or An employee of an alliance who is licensed as an agent, broker or consultant may act under that license only on behalf of the alliance and only within the scope of that person's duties as a board member, officer or an employee.

Sec. 4. 24-A MRSA §2752, sub-§1-A is enacted to read:

1-A. Introduction of proposals. A mandated health benefit proposal may not be introduced in a second regular session or a special session of the Legislature.

Sec. 5. 24-A MRSA §2752, sub-§2, as enacted by PL 1991, c. 701, §8, is amended to read:

2           **2. Procedures before legislative committees.** Whenever a  
3 legislative measure containing a mandated health benefit is  
4 proposed, the joint standing committee of the Legislature having  
5 jurisdiction over the proposal shall hold a public hearing and  
6 determine the level of support for the proposal among the members  
7 of the committee. If there is substantial support for the  
8 proposed mandate among members of the committee based upon  
9 testimony from the public or providers and the committee has  
10 determined that the proponents of the proposal have demonstrated  
11 a need for the proposed mandate, the committee may refer the  
12 proposal to the Bureau of Insurance for review and evaluation  
13 pursuant to subsection 3. Once a review and evaluation has been  
14 completed, the committee shall hold a meeting for the purpose of  
15 presenting the findings of the bureau in conducting the review  
16 and evaluation. A proposed mandate may not be enacted into law  
17 unless review and evaluation pursuant to subsection 3 has been  
18 completed.

19           **Sec. 6. 24-A MRSA §2752, sub-§3, ¶¶A and D,** as enacted by PL  
20 1991, c. 701, §8, are amended to read:

- 21           A. The social impact of mandating the benefit, including:
- 22                   (1) The extent to which the treatment or service is  
23                   utilized by a significant portion of the population;  
24                   (2) The extent to which the treatment or service is  
25                   available to the population;  
26                   (3) The extent to which insurance coverage for this  
27                   treatment or service is already available;  
28                   (4) If coverage is not generally available, the extent  
29                   to which the lack of coverage results in persons being  
30                   unable to obtain necessary health care treatment;  
31                   (5) If the coverage is not generally available, the  
32                   extent to which the lack of coverage results in  
33                   unreasonable financial hardship on those persons  
34                   needing treatment;  
35                   (6) The level of public demand and the level of demand  
36                   from providers for the treatment or service;  
37                   (7) The level of public demand and the level of demand  
38                   from the providers for individual or group insurance  
39                   coverage of the treatment or service;  
40                   (8) The level of interest of in and the extent to  
41                   which collective bargaining organizations in are

2 negotiating privately for inclusion of this coverage in  
group contracts;

4 (9) The likelihood of achieving the objectives of  
meeting a consumer need as evidenced by the experience  
6 of other states;

8 (10) The relevant findings of the state health  
planning agency or the appropriate health system agency  
10 relating to the social impact of the mandated benefit;

12 (11) The alternatives to meeting the identified need;

14 (12) Whether the benefit is a medical or a broader  
social need and whether it is consistent with the role  
16 of health insurance and the concept of managed care;

18 (13) The impact of any social stigma attached to the  
benefit upon the market;

20 (14) The impact of this benefit on the availability of  
22 other benefits currently being offered; and

24 (15) The impact of the benefit as it relates to  
employers shifting to self-insured plans and the extent  
26 to which the benefit is currently being offered by  
28 employers with self-insured plans; and

30 (16) The impact of making the benefit applicable to  
the state employee health insurance program;

32 D. The effects of balancing the social, economic and  
34 medical efficacy considerations, including:

36 (1) The extent to which the need for coverage  
outweighs the costs of mandating the benefit for all  
38 policyholders; and

40 (2) The extent to which the problem of coverage may be  
solved by mandating the availability of the coverage as  
42 an option for policyholders; and

44 (3) The cumulative impact of mandating this benefit in  
combination with existing mandates on the costs and  
46 availability of coverage.

## SUMMARY

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4 This bill implements the recommendations of the Blue Ribbon  
Commission to Study the Effects of Government Regulation and  
Health Insurance Costs on Small Businesses in Maine.