

# 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)



# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

---

Legislative Document

No. 1127

---

H.P. 804

House of Representatives, February 9, 1999

**Resolve, to Study Maine's Individual Health Insurance Market.**

(EMERGENCY)

---

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative SAXL of Bangor.  
Cosponsored by Senator LaFOUNTAIN of York and  
Representatives: DUDLEY of Portland, GLYNN of South Portland, JONES of Pittsfield,  
MAYO of Bath, NUTTING of Oakland, O'NEIL of Saco, SULLIVAN of Biddeford, Senator:  
ABROMSON of Cumberland.

2           **Emergency preamble.** Whereas, Acts and resolves of the  
Legislature do not become effective until 90 days after  
adjournment unless enacted as emergencies; and

4

6           **Whereas,** the availability and affordability of individual  
health insurance is crucial to Maine residents who do not have  
access to group coverage; and

8

10          **Whereas,** the individual health insurance market has recently  
been subject to large rate increases; and

12          **Whereas,** several insurers have withdrawn from Maine's  
individual health insurance market; and

14

16          **Whereas,** it is desirable to identify steps that would  
increase the availability and affordability of individual health  
insurance; and

18

20          **Whereas,** in the judgment of the Legislature, these facts  
create an emergency within the meaning of the Constitution of  
Maine and require the following legislation as immediately  
necessary for the preservation of the public peace, health and  
safety; now, therefore, be it

24

26          **Sec. 1. Task force. Resolved:** That the Superintendent of  
Insurance shall convene a task force to study the availability  
and affordability of individual health insurance in Maine; and be  
it further

28

30          **Sec. 2. Membership. Resolved:** That the Superintendent of  
Insurance or the superintendent's designee serve as chair of the  
task force and additional members must be appointed as follows:

32

34           1. One member representing Blue Cross Blue Shield of Maine,  
appointed by the Governor;

36

38           2. One member representing a commercial health insurer or a  
health maintenance organization, appointed by the Governor;

40

42           3. One member representing health insurance producers,  
appointed by the Governor;

44

46           4. One member representing employers, appointed by the  
Governor;

48

50           5. One member representing consumers, appointed by the  
Governor;

52

54           6. One member representing health care providers, appointed  
by the Governor;

2           7. One member of the House of Representatives, appointed by  
the Speaker of the House; and

4           8. One Senator, appointed by the President of the Senate;  
and be it further

6  
8           **Sec. 3. Meetings. Resolved:** That the task force shall meet by  
July 31, 1999 and after that date as necessary to accomplish its  
10 duties. All meetings of the task force are public meetings  
within the meaning of the Maine Revised Statutes, Title 1,  
chapter 13, subchapter 1; and be it further

12           **Sec. 4. Duties. Resolved:** That the task force shall:

14           1. Gather and analyze data concerning what coverage is  
16 available in the individual health insurance market, which  
carriers offer it, how much it costs and who is covered and who  
18 is not.

20           2. Compare the availability and cost of coverage in the  
individual market to the availability and cost of coverage in the  
22 group market.

24           3. Consider possible steps to improve availability and  
affordability of individual health insurance, including, but not  
26 limited to:

28           A. Cross-subsidies between the group and individual health  
insurance markets. The impact on the group market and on  
30 employers must also be considered;

32           B. Risk adjustment mechanisms; and

34           C. Changes in laws concerning guaranteed issue, guaranteed  
renewal and rating restrictions.

36           4. Recommend any steps the task force considers appropriate  
38 to improve availability and affordability of individual health  
insurance and draft any proposed legislation needed to implement  
40 those recommendations. The task force shall attempt to reach  
consensus on its recommendations. If no consensus is achieved,  
42 more than one set of recommendations may be reported, with each  
member designating which set that member supports; and be it  
44 further

46           **Sec. 5. Staffing. Resolved:** That the Bureau of Insurance shall  
provide staffing assistance to the task force. The bureau may  
48 retain consultants as needed to assist the task force; and be it  
further

50           **Sec. 6. Voluntary service. Resolved:** That members of the task  
52 force serve without compensation or reimbursement of any

2 type except that, if authorized by the Legislative Council,  
legislative members of the task force may receive the legislative  
4 per diem, as defined in the Maine Revised Statutes, Title 3,  
section 2, and reimbursement for expenses; and be it further

6 **Sec. 7. Report. Resolved:** That the task force shall submit  
its findings and recommendations to the joint standing committee  
8 of the Legislature having jurisdiction over insurance matters by  
January 1, 2000.

10 **Emergency clause.** In view of the emergency cited in the  
12 preamble, this resolve takes effect when approved.

14

### SUMMARY

16

18 This resolve creates a task force to study, and recommend  
steps to improve, the availability and affordability of  
individual health insurance in the State.