

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 1666

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S.P. 586

In Senate, March 4, 1999

**An Act to Ensure That Funds from Maine's Medicaid Settlement with Tobacco Product Manufacturers are used to Expand Access to Health Care for Maine People.**

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Reference to the Committee on Health and Human Services suggested and ordered printed.

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

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator PINGREE of Knox.  
Cosponsored by Representative KANE of Saco and  
Senators: CATHCART of Penobscot, President LAWRENCE of York, PARADIS of  
Aroostook, RAND of Cumberland, Representatives: BERRY of Livermore, DUGAY of  
Cherryfield, QUINT of Portland, SAXL of Portland.

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

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Sec. 1. 22 MRSA §3174-T, sub-§2, ¶A-1 is enacted to read:

A-1. Beginning October 1, 1999, the maximum eligibility level, subject to adjustment by the commissioner under section 3174-U, subsection 4, is 200% of the nonfarm income official poverty line.

Sec. 2. 22 MRSA §§3174-U and 3174-V are enacted to read:

**§3174-U. Healthy Maine Program**

The Healthy Maine Program, referred to in this section as the "program," is established to provide health coverage to the people of Maine utilizing the funds provided to the State through the settlement of pending or potential legal action brought by the State against manufacturers of tobacco products. The department shall administer the program.

1. Tobacco Settlement Dedicated Fund. The Tobacco Settlement Dedicated Fund, referred to in this section as the "fund," is established to receive all revenues from any settlement of pending or potential legal action against tobacco manufacturers brought by the State, any funds appropriated or allocated for expenditure by the program and any other funds, revenues, grants and contributions.

A. Revenues in the fund may be used only for the purposes listed in subsection 2.

B. The fund is a special, dedicated, nonlapsing fund and any interest generated by the fund is credited to the fund. The Treasurer of State shall manage the fund.

2. Program benefits. The program shall provide benefits as follows:

A. Prescription drug coverage for persons eligible under subsection 3, paragraphs A;

B. Medicaid coverage for persons eligible under subsection 3, paragraph B;

C. Cub Care coverage for persons eligible under subsection 3, paragraph C; and

D. Health coverage at least equivalent to the coverage provided under the Maine Medicaid program on December 31, 1998 for persons eligible under subsection 3, paragraph D.

2 3. Enrollment. Enrollment in the program must be available  
as provided in this subsection.

4 A. Beginning October 1, 1999, the program must provide  
benefits to persons 62 years of age and older and to  
6 disabled persons as follows:

8 (1) To those whose income is below 185% of the nonfarm  
income official poverty line with no cost sharing; and

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12 (2) To those whose income is equal to 185% or is  
greater than 185% but less than 300% of the nonfarm  
14 income official poverty line and who spend 25% of their  
income on prescription drugs.

16 B. Beginning October 1, 1999, the program must provide  
benefits as provided in section 3174-V.

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20 C. Beginning October 1, 1999, the program must provide  
benefits provided in section 3174-T, subsection 2.

22 D. Beginning October 1, 2000, the program must provide  
benefits to the following persons:

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26 (1) Persons whose income is below 150% of the nonfarm  
income official poverty line and who are not eligible  
for the Medicaid program;

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30 (2) Persons 62 years of age and older and disabled  
persons whose incomes are below 185% of the nonfarm  
32 income official poverty line;

34 (3) Persons whose incomes are below 185% of the  
nonfarm income official poverty line who are parents or  
36 caretaker relatives of children under 19 years of age  
living in the same household; and

38 (4) Persons whose incomes are below 250% of the  
nonfarm income official poverty line who are under 19  
40 years of age.

42 4. Determination of fiscal status; adjustment. The  
commissioner shall determine the fiscal status of the program on  
44 a quarterly basis. If that determination indicates surplus  
funding available to the program, the commissioner shall adjust  
46 the maximum eligibility levels in subsection 3 under section  
3174-T, subsection 2, paragraph A-1 in a manner that is equitable  
48 among the different groups of eligible persons.

50 5. Maximization of funds. The department shall fully  
utilize all funds available for the program, shall apply for

2 appropriate federal waivers and shall maximize the use of federal  
3 funds to provide benefits under the program.

4 6. Definition. As used in this section, "nonfarm income  
5 official poverty line" means the poverty level applicable to a  
6 family of the size involved, as defined by the federal Office of  
7 Management and Budget and revised annually in accordance with  
8 the United States Omnibus Budget Reconciliation Act of 1981,  
9 Section 673, Subsection 2.

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11 7. Report. The department shall report to the joint  
12 standing committee of the Legislature having jurisdiction over  
13 health and human services matters by February 1st each year. The  
14 report must include the numbers of persons receiving benefits  
15 under each benefit category under the program, demographic  
16 information on the covered population and information on numbers  
17 of persons in the State who are uninsured and underinsured.

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19 8. Rulemaking. The department shall adopt rules necessary  
20 to implement this section. Rules adopted pursuant to this  
21 subsection are routine technical rules as defined by Title 5,  
22 chapter 375, subchapter II-A.

23 **§3174-V. Medicaid coverage under Healthy Maine Program**

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25 Beginning October 1, 1999, the department shall provide for  
26 the delivery of Medicaid services under this section to parents  
27 or caretaker relatives of children under 19 years of age living  
28 in the same household whose family incomes are between 100% and  
29 150% of the nonfarm income official poverty line. Eligibility  
30 under this section is subject to adjustment by the commissioner  
31 as provided in section 3174-U, subsection 4. Coverage under this  
32 section is funded through the Healthy Maine Program pursuant to  
33 section 3174-U.

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37 **SUMMARY**

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39 This bill establishes the Healthy Maine Program to provide  
40 health care coverage, Medicaid coverage and prescription drug  
41 coverage for adults 62 years of age and older, disabled persons  
42 and children. Benefits are provided under the Healthy Maine  
43 Program, the Medicaid program and the Cub Care program.