

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 81

H.P. 72

House of Representatives, January 9, 2001

An Act to Further Encourage the Creation of Private Purchasing Alliances.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative MAYO of Bath.
Cosponsored by Senator GOLDTHWAIT of Hancock and
Representatives: DUDLEY of Portland, O'NEIL of Saco, RICHARDSON of Brunswick,
SULLIVAN of Biddeford.

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

2 **Sec. 1. 24-A MRSA §2673-A, sub-§3**, as enacted by PL 1999, c.
4 609, §8, is amended to read:

6 **3. Rules.** Preferred provider arrangements offered by
8 carriers that are subject to chapter 56-A must be in compliance
10 with applicable provisions of that chapter and any rules adopted
12 under that chapter. Employer-sponsored plans that are exempt
14 from this chapter pursuant to federal law and administrators
16 offering preferred provider arrangements to employer-sponsored
18 plans are not subject to the provisions of chapter 56-A or rules
20 adopted under that chapter, provided either the administrator or
22 any other participating entity, other than the self-insured
24 employer, does not undertake insurance risk. The superintendent
26 may adopt rules establishing procedures for filing and approval
28 of preferred provider arrangements, including the time period
30 within which the superintendent must act on a completed
32 application; specific criteria for determining when a term or
34 condition is unjust, unfair or inequitable or has the effect of
unreasonably restricting access and availability to health care
services; and standards consistent with this chapter and chapter
56-A for the ongoing operation and oversight of approved provider
arrangements. The rules may prohibit the carrier from applying a
benefit level differential to enrollees who must travel an
unreasonable distance to obtain the service, except that the
rules must allow this prohibition to be waived by the
superintendent for a carrier participating in a private
purchasing alliance licensed pursuant to chapter 18-A if the
superintendent determines that the carrier otherwise complies
with the provisions of this section and any rules adopted
pursuant to this subsection. Rules adopted pursuant to this
subsection are routine technical rules pursuant to Title 5,
chapter 375, subchapter II-A.

36 **Sec. 2. 24-A MRSA §2677-A, sub-§2**, as enacted by PL 1999, c.
38 609, §14, is amended to read:

40 **2. Benefit level.** The benefit level differential between
42 services rendered by preferred providers and nonpreferred
44 providers may not exceed 20% of the allowable charge for the
46 service rendered, except that the superintendent may waive this
requirement for a given benefit plan offered by a private
purchasing alliance licensed pursuant to chapter 18-A. Compliance
48 with this requirement for a given benefit plan may be
50 demonstrated on an aggregate basis. This demonstration of
compliance must be based on a reasonably anticipated mix of
claims certified by a qualified actuary who is a member of the
American Academy of Actuaries or a successor organization. As
used in this subsection, "allowable charge" means the amount that

would be payable for services under the preferred provider arrangement including deductible and coinsurance amounts.

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SUMMARY

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This bill allows a given benefit plan offered through a private purchasing alliance to have a benefit differential that exceeds 20% if the Superintendent of Insurance waives the requirement. The bill also allows the superintendent to waive compliance with a rule prohibiting carriers from applying a benefit differential to enrollees who must travel unreasonable distances for health care services.

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