

# MAINE STATE LEGISLATURE

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**BANKING AND INSURANCE**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
120TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 193, L.D. 204, Bill, "An Act to Create an Alliance for the Purpose of Purchasing Health Insurance"

Amend the bill by striking out the title and substituting the following:

**'An Act to Encourage the Creation of an Alliance for the Purpose of Purchasing Health Insurance'**

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 §1951, sub-§2,** as amended by PL 1997, c. 616, §1, is further amended to read:

**2. Private purchasing alliance.** "Private purchasing alliance" or "alliance" means a 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 one or more participating carriers.

**Sec. 2. 24-A MRSA §1954, sub-§2,** as amended by PL 1997, c. 370, Pt. A, §§1 and 2, is further amended to read:

**2. Enrollee choice.** Ensure that enrollees have a choice among a reasonable number of competing carriers and types of health benefit plans ~~in accordance with the following.~~

2 ~~A.---In every portion of the alliance's service area, the~~  
3 ~~alliance must offer at least 3 different carriers. When 3~~  
4 ~~participating carriers are not reasonably available in some~~  
5 ~~or all of the alliance's service area, the superintendent~~  
6 ~~may waive this requirement in accordance with standards and~~  
7 ~~procedures established by rule pursuant to this chapter.~~

8 **Sec. 3. 24-A MRSA §2677-A, sub-§2**, as enacted by PL 1999, c.  
9 609, §14, is amended to read:

10  
11 **2. Benefit level.** The benefit level differential between  
12 services rendered by preferred providers and nonpreferred  
13 providers may not exceed 20% of the allowable charge for the  
14 service rendered, except that the superintendent may waive this  
15 requirement for a given benefit plan. Compliance with this  
16 requirement for a given benefit plan may be demonstrated on an  
17 aggregate basis. This demonstration of compliance must be based  
18 on a reasonably anticipated mix of claims certified by a  
19 qualified actuary who is a member of the American Academy of  
20 Actuaries or a successor organization. As used in this  
21 subsection, "allowable charge" means the amount that would be  
22 payable for services under the preferred provider arrangement  
23 including deductible and coinsurance amounts.'

## 24 25 26 SUMMARY

27 This amendment replaces the bill. The amendment eliminates  
28 the requirement that a voluntary private purchasing alliance  
29 offer at least 3 different carriers through the alliance. The  
30 amendment also allows a given benefit plan that offers services  
31 through a preferred provider arrangement to have a benefit  
32 differential that exceeds 20% if the superintendent waives the  
33 requirement.  
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