

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 235

S.P. 64

In Senate, January 23, 2001

An Act to Lower the Cost of Health Coverage.

Reference to the Committee on Banking and Insurance 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 NUTTING of Androscoggin.
Cosponsored by Representative MARRACHE of Waterville and
Senators: KILKELLY of Lincoln, MILLS of Somerset, ROTUNDO of Androscoggin,
TREAT of Kennebec, Representatives: BROOKS of Winterport, BUMPS of China.

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

Sec. 1. 5 MRSA c. 158, sub-c. V is enacted to read:

SUBCHAPTER V

ACCESS TO HEALTH COVERAGE

§1898. Health coverage purchasing pool

There is established the health coverage purchasing pool to provide access to health coverage at affordable prices to residents who are unable to purchase coverage through their employment or on the private market or who are unable to afford the premiums for that coverage. The following provisions apply to the purchasing pool.

1. Negotiations; purchase. Beginning November 1, 2001, the commissioner shall negotiate with health insurers and health maintenance organizations licensed under Title 24-A for the purchase of health coverage for residents. Group coverage through the pool must begin by January 1, 2002.

2. Premiums. Residents who obtain coverage through the purchasing pool must pay premiums to the Department of Administrative and Financial Services to cover the full cost of such coverage for themselves and any dependents and any administrative costs incurred by the purchasing pool.

3. Selection of health coverage plan. The commissioner shall select the health coverage plan to be offered through the purchasing pool and shall conduct all business for the purchasing pool on behalf of the group members and potential members.

4. Exception. A health coverage purchasing pool formed pursuant to this section is eligible for group coverage notwithstanding the provisions of Title 24-A, section 2808.

5. Rules. The department shall adopt rules necessary to administer the purchasing pool. Rules adopted pursuant to this section are routine technical rules as provided in Title 5, chapter 375, subchapter II-A.

SUMMARY

This bill establishes a health coverage purchasing pool to make health coverage available through the power of a group purchase to residents who are unable to obtain or to afford coverage. The bill requires covered persons to pay premiums to

cover the costs of their coverage and any administrative costs.
2 The bill requires the Commissioner of Administrative and
Financial Services to select the health coverage plan to be
4 offered through the purchasing pool and authorizes the Department
of Administrative and Financial Services to provide any necessary
6 administrative services. The purchasing pool is exempt from the
prohibition on forming a group for the purpose of purchasing
8 insurance provided in the Maine Revised Statutes, Title 24-A,
section 2808. The bill requires the Department of Administrative
10 and Financial Services to adopt rules to administer the
purchasing pool.
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