

# 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)



# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

---

Legislative Document

No. 439

H.P. 349

House of Representatives, February 1, 2001

**An Act to Create Catastrophic Health Insurance for Small Businesses in  
Maine.**

---

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

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

Presented by Representative MacDOUGALL of North Berwick.

Cosponsored by Senator LEMONT of York and

Representatives: BOWLES of Sanford, BUCK of Yarmouth, COLLINS of Wells, FOSTER of Gray, McKENNEY of Cumberland, SNOWE-MELLO of Poland, TRAHAN of Waldoboro, WATERHOUSE of Bridgton.

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

2  
4       **Sec. 1. 24-A MRSA §2808-B, sub-§8-A** is enacted to read:

6       **8-A. Catastrophic health plan.** The superintendent shall by  
8       rule define a catastrophic health plan that may be offered by all  
10       carriers offering small group health plans in the State. An  
12       association group organized pursuant to section 2805-A or a  
14       trustee group organized pursuant to section 2806 may offer the  
16       catastrophic health plan to its subgroups. As used in this  
18       section, "catastrophic health plan" means a plan that provides  
20       benefits for medical emergencies, serious illness and  
22       hospitalization only and that is exempt from the requirements for  
24       mandated coverage for specific health services and specific  
26       diseases and for certain providers of health services under Title  
28       24 and this Title applicable to small group health plans. A  
30       catastrophic health plan may not provide coverage for preventive  
32       care or annual exams. A catastrophic health plan must impose a  
34       deductible of \$1500 or higher. The premium rate charged by the  
36       carrier for the catastrophic health plan may not exceed 80% of  
38       the corresponding premium rate charged by that carrier for the  
40       basic plan required to be offered by carriers pursuant to  
      subsection 8.

#### SUMMARY

28       This bill allows carriers in the small group market to offer  
30       a catastrophic health plan defined by the Superintendent of  
32       Insurance. For purposes of the bill, a catastrophic health plan  
34       is a plan that provides benefits for medical emergencies, serious  
36       illness and hospitalization only and that is exempt from the  
38       requirements for mandated coverage. The bill prohibits a  
40       catastrophic health plan from providing coverage for preventive  
      care or annual exams and requires a deductible to be imposed of  
      \$1500 or higher. The bill also requires that the premium rate  
      charged by the carrier for a catastrophic plan may not exceed 80%  
      of the premium rate charged by that carrier for the basic plan  
      required by the Department of Professional and Financial  
      Regulation, Bureau of Insurance, Rule Chapter 750.