

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 452

H.P. 362

House of Representatives, February 1, 2001

An Act to Assist Individuals in Obtaining Catastrophic Insurance.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative TRAHAN of Waldoboro.
Cosponsored by Senator McALEVEY of York and
Representatives: DAVIS of Falmouth, LABRECQUE of Gorham, LOVETT of Scarborough,
MAYO of Bath, McNEIL of Rockland, SHIELDS of Auburn, SNOWE-MELLO of Poland,
VOLENIK of Brooklin.

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

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Sec. 1. 24-A MRSA §2736-D is enacted to read:

§2736-D. Individual catastrophic plans; premium subsidies

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Carrier" has the same meaning as in section 2736-C.

B. "Individual catastrophic health plan" means an individual health plan providing comprehensive benefits, including preventive benefits, that imposes a \$2,500 deductible. The plan must meet the requirements for mandated coverage for specific health services, for specific diseases and for certain providers of health services under Title 24 and this Title applicable to individual health plans.

2. Catastrophic health plan coverage. The superintendent shall negotiate with carriers the premium rates charged for coverage under an individual catastrophic health plan, including premium rates for family coverage. The superintendent shall contract through a competitive bidding process with at least one carrier that will offer individual catastrophic health plan coverage to individuals in all geographic regions of the State. The superintendent may contract with more than one carrier.

3. Premium subsidies. An individual is eligible for a premium subsidy to contribute to the premium rate for an individual catastrophic health plan in accordance with the requirements of this subsection.

A. An individual who is eligible for or is receiving coverage under Medicaid or the Cub Care program may not receive a premium subsidy for coverage under an individual catastrophic health plan.

B. An individual with an income at or below 200% of the nonfarm income official poverty line is eligible for a subsidy of 100% of the premium rate for coverage under an individual catastrophic health plan.

C. An individual with an income between 200% and 210% of the nonfarm income official poverty line is eligible for a subsidy of 80% of the premium rate for coverage under an individual catastrophic health plan.

2 D. An individual with an income between 210% and 220% of
4 the nonfarm income official poverty line is eligible for a
6 subsidy of 60% of the premium rate for coverage under an
 individual catastrophic health plan.

8 E. An individual with an income between 220% and 235% of the
10 nonfarm income official poverty line is eligible for a
 subsidy of 40% of the premium rate for coverage under an
 individual catastrophic health plan.

12 F. An individual with an income between 235% and 250% of the
14 nonfarm income official poverty line is eligible for a
 subsidy of 20% of the premium rate for coverage under an
 individual catastrophic health plan.

16 G. An individual with an income above 250% of the nonfarm
18 income official poverty line is not eligible for a premium
20 subsidy but may purchase coverage at the full premium rate
 for coverage under an individual catastrophic health plan.

22 4. Payment of premium subsidies. The superintendent shall
24 receive all funds appropriated for the purpose of providing
26 premium subsidies for coverage under individual catastrophic
28 health plans. Any funds appropriated may be used only for the
30 purpose described in this subsection, and any unexpended funds
 from a particular year must be carried forward for use in the
 next year. The superintendent shall transfer premium subsidies
 directly to the carrier for those individuals receiving coverage
 from that carrier who are eligible for a subsidy pursuant to
 subsection 3.

32 5. Applicability of community rating; guaranteed issuance
34 and guaranteed renewal. A carrier offering an individual
36 catastrophic health plan pursuant to this section must comply
38 with the requirements of section 2736-C, subsections 2 and 3
 relating to rating practices, guaranteed issuance and guaranteed
 renewal.

40 6. Continuity of coverage. An individual insured under an
42 individual catastrophic health plan pursuant to this section
 qualifies for continuity of coverage pursuant to chapter 36.

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SUMMARY

 This bill provides premium subsidies based on income to
 individuals covered under catastrophic health plans. Those
 individuals with incomes at or below 200% of the poverty line and

2 up to 250% of the poverty line qualify for a premium subsidy on a
sliding-scale basis. The bill defines an individual catastrophic
4 health plan as a health plan providing comprehensive benefits
that imposes a deductible of \$2,500.