

MAINE STATE LEGISLATURE

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DATE: 6-4-01

(Filing No. H-678)

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

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 172, L.D. 590, Bill, "An Act to Strengthen the Authority of the Bureau of Insurance"

Amend the amendment in section 3 in that part designated "~~§205-A.~~" by striking out all of subsection 1 (page 2, lines 1 to 15 in amendment) and inserting in its place the following:

'1. Advocacy panel. In any proceeding regarding a rate filing for an individual health plan as defined in section 2736-C, subsection 1, paragraph C proposing a rate increase that meets or exceeds 20% or in any proceeding pursuant to section 222, subsection 7 regarding the purchase, exchange, merger or other acquisition of control by a health insurer, nonprofit hospital and medical service organization or health maintenance organization, the superintendent shall impanel an advocacy panel to represent the interests of consumers and the public. The bureau may contract for the services of an advocacy panel or hire staff with the goal of maximizing cost savings to represent the interests of consumers and the public. The health insurer, nonprofit hospital and medical service organization or health maintenance organization subject to the proceeding shall pay the cost of participation of the advocacy panel.'

Further amend the amendment in section 4 by striking out all of the first line (page 2, line 38 in amendment) and inserting in its place the following:

'Sec. 4. 24-A MRSA §4222-B, sub-§17 is enacted to read:'

R. O. S.

2 Further amend the amendment in section 4 in the 2nd line
4 (page 2, line 40 in amendment) by striking out the following:
4 "15." and inserting in its place the following: '17.'

6 Further amend the amendment by striking out all of section 5
and inserting in its place the following:

8
10 'Sec. 5. Allocation. The following funds are allocated from
Other Special Revenue funds to carry out the purposes of this Act.

12 2001-02 2002-03

14 **PROFESSIONAL AND FINANCIAL
16 REGULATION, DEPARTMENT OF**

18 **Bureau of Insurance**

18 Positions - Legislative Count (2.000) (2.000)
20 Personal Services \$95,760 \$130,972
22 All Other 124,313 163,750

24 Provides funds for one
26 Attorney position and one
28 Actuarial Assistant position
and related operating costs
30 including funds to contract
32 for actuarial and other
34 professional services to
provide technical support to
36 an advocacy panel in
proceedings related to
40 individual health plan rate
42 filings that propose a rate
increase of 20% or more and
44 in proceedings related to the
change of control of a Maine
health insurer or health
maintenance organization.

42 **DEPARTMENT OF PROFESSIONAL AND
44 FINANCIAL REGULATION
TOTAL**

\$220,072 \$294,722'

F. of S.

FISCAL NOTE

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This amendment decreases the Other Special Revenue funds cost of the bill by \$450,678 in fiscal year 2001-02 and \$376,028 in fiscal year 2002-03.

As amended, this bill includes Other Special Revenue funds allocations of \$220,072 and \$294,722 in fiscal years 2001-02 and 2002-03, respectively, for the Bureau of Insurance within the Department of Professional and Financial Regulation for one Attorney position and one Actuarial Assistant position and related costs, including contracting for actuarial and other professional services to provide technical support to an advocacy panel to represent the interests of policyholders, enrollees and the public in proceedings relating to individual health plan rate filings that propose a rate increase of 20% or more and in proceedings relating to the change of control of a Maine health insurer or health maintenance organization. This bill requires the insurer, nonprofit hospital and medical service organization or health maintenance organization subject to the proceeding to pay the cost of participation of the advocacy panel.

The Bureau of Insurance within the Department of Professional and Financial Regulation will incur some minor additional costs to adopt rules and submit the required report. These costs can be absorbed within the bureau's existing budgeted resources.

SUMMARY

This amendment allows the Bureau of Insurance to hire additional staff or contract for the services of an advocacy panel to represent the interests of consumers and the public in a proceeding regarding a rate filing for an individual health plan. This amendment replaces the allocation section. This amendment also corrects a statutory reference to reflect changes made by laws previously enacted this session.

SPONSORED BY: 
(Representative DUDLEY)
TOWN: Portland