

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)

Handwritten initials or mark in the top left corner.

L.D. 590

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44

DATE: *May 25, 2001*

(Filing No. S-271)

BANKING AND INSURANCE

Reported by:

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
120TH LEGISLATURE
FIRST REGULAR SESSION**

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

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 MRSA §2317, first ¶, as amended by PL 1973, c. 585, §12, is further amended to read:

The following chapters and provisions of Title 24-A, where and to the extent not inconsistent with this chapter and the reasonable implications thereof, shall apply to such corporations only to the extent provided for by rules and-regulations issued by the superintendent to such corporations:

Sec. 2. 24 MRSA §2317, sub-§2, as amended by PL 1973, c. 585, §12, is further amended to read:

2. Chapter 3. The Insurance Superintendent, except that Title 24-A, section 205-A is specifically applicable to such corporations without regard to rules issued by the superintendent.

Sec. 3. 24-A MRSA §205-A is enacted to read:

§205-A. Advocacy panel in certain health insurance proceedings

1 1. Advocacy panel. In any proceeding regarding a rate
2 filing for an individual health plan as defined in section
3 2736-C, subsection 1, paragraph C proposing a rate increase that
4 meets or exceeds 20% or in any proceeding pursuant to section
5 222, subsection 7 regarding the purchase, exchange, merger or
6 other acquisition of control by a health insurer, nonprofit
7 hospital and medical service organization or health maintenance
8 organization, the superintendent shall impanel an advocacy panel
9 to represent the interests of consumers and the public. The
10 bureau may contract for the services of an advocacy panel if
11 existing staff resources are not adequate to represent the
12 interests of consumers and the public. The health insurer,
13 nonprofit hospital and medical service organization or health
14 maintenance organization subject to the proceeding shall pay the
15 cost of participation of the advocacy panel.

16
17 2. Rules. The bureau, after notice and hearing, may adopt
18 rules to implement this section. Rules adopted pursuant to this
19 section are routine technical rules as defined in Title 5,
20 chapter 375, subchapter II-A.

21 3. Report from bureau. The bureau shall report annually on
22 or before March 15th to the joint standing committee of the
23 Legislature having jurisdiction over insurance matters on the
24 number of proceedings that required an advocacy panel pursuant to
25 this section and whether the advocacy panel substantially
26 contributed to the approval, in whole or in part, of a position
27 advocated by the advocacy panel.

28
29 4. Application. This section applies to a health insurer,
30 nonprofit hospital and medical service organization or health
31 maintenance organization that has health plans in force in this
32 State as defined in section 4301-A, subsection 7.

33 5. Repeal. Unless continued or modified by law, this section
34 is repealed October 1, 2006.

35 **Sec. 4. 24-A MRSA §4222-B, sub-§15** is enacted to read:

36 15. The requirements of section 205-A apply to health
37 maintenance organizations.

38 **Sec. 5. Allocation.** The following funds are allocated from
39 Other Special Revenue funds to carry out the purposes of this Act.

40
41
42
43
44
45
46
47
48
49
50

	2001-02	2002-03
--	---------	---------

**PROFESSIONAL AND FINANCIAL
REGULATION, DEPARTMENT OF**

Bureau of Insurance

2

4	All Other	\$670,750	\$670,750
---	-----------	-----------	-----------

6 Provides funds to contract
8 for actuarial and other
10 professional services to
12 provide technical support to
14 an advocacy panel in
16 proceedings related to
18 individual health plan rate
20 filings that propose a rate
increase of 20% or more and
in proceedings related to the
change of control of a Maine
health insurer, nonprofit
hospital and medical service
organization or health
maintenance organization.'

22 Further amend the bill by inserting at the end before the
summary the following:

24

FISCAL NOTE

26

	2001-02	2002-03
--	---------	---------

28

APPROPRIATIONS/ALLOCATIONS

30

32	Other Funds	\$670,750	\$670,750
----	-------------	-----------	-----------

34

REVENUES

36

38	Other Funds	\$670,750	\$670,750
----	-------------	-----------	-----------

38 This bill includes Other Special Revenue funds allocations
40 of \$670,750 and \$670,750 in fiscal years 2001-02 and 2002-03,
42 respectively, for the Bureau of Insurance within the Department
44 of Professional and Financial Regulation to contract for
46 actuarial and other professional services to provide technical
48 support to an advocacy panel to represent the interests of
50 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 related 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.

1 If the Bureau of Insurance provides its own legal services,
2 this bill has no fiscal impact on the Department of the Attorney
3 General. If the Department of the Attorney General's services
4 are used, the department will incur additional Other Special
5 Revenue costs. If the additional workload represents a
6 significant increase to existing staff, additional Other Special
7 Revenue allocations will be required for an additional position
8 and related costs.

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

16 SUMMARY

18 This amendment is the majority report of the Joint Standing
19 Committee on Banking and Insurance and it replaces the bill. The
20 amendment does the following.

22 1. It limits the requirement for an advocacy panel to rate
23 hearings on individual health plans that propose a rate increase
24 of 20% or more and to proceedings related to the change of
25 control of a Maine health insurer, nonprofit hospital and medical
26 service organization or health maintenance organization pursuant
27 to the Maine Revised Statutes, Title 24-A, section 222,
28 subsection 7.

30 2. It allows the Superintendent of Insurance to decide the
31 scope of an advocacy panel and permits contracting for those
32 services if existing Bureau of Insurance resources are not
33 adequate.

34 3. It removes the provision on intervenor funding.

36 4. It requires annual reports from the Bureau of Insurance,
37 within the Department of Professional and Financial Regulation,
38 on the number of advocacy panels as well as an evaluation of the
39 usefulness of advocacy panels.

42 5. It clarifies that the provisions apply to health
43 insurers, nonprofit hospital and medical service organizations
44 and health maintenance organizations that issue health plans in
45 this State.

46 6. It also adds a subsection that repeals Title 24-A,
47 section 205-A on October 1, 2006 unless the section is continued
48 or modified by law.

50 7. It also adds an allocation section and a fiscal note to
52 the bill.