

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1400

H.P. 1043

House of Representatives, March 5, 2001

An Act to Provide Health Insurance to Uninsured Maine Residents.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative PERKINS of Penobscot.
Cosponsored by Senator KILKELLY of Lincoln and
Representatives: BELANGER of Caribou, DUGAY of Cherryfield, FULLER of Manchester,
MAYO of Bath, McGLOCKLIN of Embden, MITCHELL of Vassalboro, SAVAGE of
Buxton, Senator: CARPENTER of York.

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

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Sec. 1. 24 MRSA c. 29 is enacted to read:

CHAPTER 29

ACCESS TO HEALTH COVERAGE

§3321. Health coverage purchasing pool

There is established the health coverage purchasing pool, referred to in this section as the "purchasing pool," to provide access to health coverage at affordable prices to residents of the State 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 of Human Services shall negotiate, by competitive bidding, with health insurers and health maintenance organizations licensed under Title 24-A for the purchase of health coverage for residents of the State. The commissioner shall use the commissioner's best efforts to negotiate lower premiums for group coverage than would be available in the individual market. Group coverage through the purchasing pool must begin by January 1, 2002. The master policy for group health coverage under this section must be held by the commissioner.

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

3. Selection of health coverage plan. The Commissioner of Human Services shall select the health coverage plan or plans to be offered through the purchasing pool. At least one health plan offered through the purchasing pool must be a plan with a deductible of \$10,000. The commissioner shall conduct all business for the purchasing pool on behalf of the group members and potential members.

4. Eligibility. Residents of the State and their dependents who are not offered coverage through their employment; who are not able to purchase coverage through their employment; or who do not have insurance in the private market are eligible for coverage through the purchasing pool established pursuant to this section. Residents and their dependents who receive

2 coverage or are eligible for coverage under the Medicaid or Cub
3 Care programs are not eligible.

4 5. Exception. The purchasing pool formed pursuant to this
5 section is eligible for group coverage without regard to the
6 provisions of Title 24-A, section 2808.

8 6. Rules. The Commissioner of Human Services shall adopt
9 rules necessary to administer the purchasing pool. Rules adopted
10 pursuant to this section are routine technical rules as defined
11 in Title 5, chapter 375, subchapter II-A.

12 7. Funding. Any initial funding required for the
13 establishment and administration of a purchasing pool pursuant to
14 this section must be allocated by the Legislature from the Fund
15 for a Healthy Maine established in Title 22, section 1511.
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18 **SUMMARY**

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21 This bill establishes a health coverage purchasing pool to
22 make health coverage available through the power of a group
23 purchase to residents of the State who are unable to obtain or to
24 afford coverage. The bill requires covered persons to pay
25 premiums to cover the costs of their coverage and any
26 administrative costs. The bill requires the Commissioner of
27 Human Services to select the health coverage plan to be offered
28 through the purchasing pool and requires the commissioner to
29 provide any necessary administrative services. The bill requires
30 that at least one health plan offered by the purchasing pool have
31 an annual deductible of \$10,000. The purchasing pool is exempt
32 from the prohibition on forming a group for the purpose of
33 purchasing insurance provided in the Maine Revised Statutes,
34 Title 24-A, section 2808. The bill requires the commissioner to
35 adopt rules to administer the purchasing pool. The bill also
36 requires that any initial funding required for the establishment
37 of the purchasing pool be allocated from the Fund for a Healthy
38 Maine.