

# MAINE STATE LEGISLATURE

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L.D. 1742

DATE: 5-11-01

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**BANKING AND INSURANCE**

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

COMMITTEE AMENDMENT "A" to H.P. 1282, L.D. 1742, Bill, "An Act to Clarify and Update the Laws Related to Health Insurance Contracts"

Amend the bill by inserting after Part H the following:

**PART I**

Sec. I-1. 24-A MRSA §2752, sub-§3, ¶B, as enacted by PL 1991, c. 701, §8, is amended to read:

B. The financial impact of mandating the benefit, including:

(1) The extent to which the proposed insurance coverage would increase or decrease the cost of the treatment or service over the next 5 years;

(2) The extent to which the proposed coverage might increase the appropriate or inappropriate use of the treatment or service over the next 5 years;

(3) The extent to which the mandated treatment or service might serve as an alternative for more expensive or less expensive treatment or service;

(4) The methods that will be instituted to manage the utilization and costs of the proposed mandate;

**COMMITTEE AMENDMENT**

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(5) The extent to which the insurance coverage may affect the number and types of providers of the mandated treatment or service over the next 5 years;

(6) The extent to which insurance coverage of the health care service or provider may be reasonably expected to increase or decrease the insurance premium and administrative expenses of policyholders;

(7) The impact of indirect costs, which are costs other than premiums and administrative costs, on the question of the costs and benefits of coverage;

(8) The impact of this coverage on the total cost of health care, including potential benefits and savings to insurers and employers because the proposed mandated treatment or service prevents disease or illness or leads to the early detection and treatment of disease or illness that is less costly than treatment or service for later stages of a disease or illness; and

(9) The effects of mandating the benefit on the cost of health care, particularly the premium and administrative expenses and indirect costs, to employers and employees, including the financial impact on small employers, medium-sized employers and large employers; and

(10) The effect of the proposed mandate on cost-shifting between private and public payors of health care coverage and on the overall cost of the health care delivery system in this State;'

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

**FISCAL NOTE**

The Bureau of Insurance within the Department of Professional and Financial Regulation will incur some minor additional costs to address additional items in reports on proposed mandated health insurance benefits. These costs can be absorbed within the bureau's existing budgeted resources.'

**SUMMARY**

This amendment requires that information be provided on the financial impact of a mandate on employers in evaluations of

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COMMITTEE AMENDMENT "A" to H.P. 1282, L.D. 1742

2 proposed mandated health insurance benefits performed by the  
Bureau of Insurance. The amendment also requires that the  
4 evaluations provide information on the potential costs savings of  
the proposed mandated benefit and its effect on cost-shifting in  
6 the overall health care delivery system. It also adds a fiscal  
note to the bill.

**COMMITTEE AMENDMENT**