

MAINE STATE LEGISLATURE

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L.D. 1959

DATE: 3-20-02

(Filing No. H-965)

MAJORITY
BANKING AND INSURANCE

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

COMMITTEE AMENDMENT "A" to H.P. 1462, L.D. 1959, Bill, "An Act to Eliminate Department of Professional and Financial Regulation, Bureau of Insurance Travel Restrictions for Obtaining Health Care"

Amend the bill by striking out the title and substituting the following:

'An Act to Allow Pilot Projects for Health Plans Benefit with Benefit Designs Based on Cost and Quality'

Further 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-A MRSA §§4315 and 4316 are enacted to read:

§4315. Pilot projects

The superintendent may approve pilot projects in accordance with the following provisions.

1. Benefit designs based on cost and quality. A carrier may apply to the superintendent for approval of a pilot project that allows the carrier to offer a health plan with a benefit design based on quality and cost indicators.

A. A health plan offered under a pilot project approved under this section may be exempted only from the statutory requirements of section 4303, subsection 1 and the geographic access standards in Bureau of Insurance Rule

2 Chapter 850 or its successor to the extent considered
3 appropriate by the superintendent. A health plan offered
4 under an approved pilot project must comply with all other
5 applicable statutes and rules.

6 B. The superintendent may not approve a pilot project with a
7 benefit design requiring enrollees to receive services from
8 any provider of specialty care, hospital services or
9 ancillary services located outside of the State.

10 C. A health plan offered under a pilot project approved
11 under this section may not require enrollees undergoing a
12 course of treatment for more than one visit per month to a
13 treating provider to travel distances to that treating
14 provider that exceed the geographic access standards of
15 Bureau of Insurance Rule Chapter 850 or its successor.

16 D. An application by a carrier for approval of a pilot
17 project under this section must include a copy of the
18 carrier's written quality standards as required by section
19 4305. The superintendent shall forward the carrier's
20 quality standards to the Commissioner of Human Services.
21 The commissioner shall provide the superintendent with
22 comments on those quality standards within 30 days.

23 E. Within 10 days of receipt of a pilot project proposal,
24 the superintendent shall mail notice of the pilot project
25 proposal to all persons who have requested notice of pilot
26 projects in advance from the superintendent and to the joint
27 standing committee of the Legislature having jurisdiction
28 over health insurance matters. The superintendent may
29 accept comments from interested persons on the pilot project
30 proposal.

31 2. Multistate products. A carrier may apply to the
32 superintendent for approval of a pilot project that allows a
33 carrier authorized to do business in this State to offer one or
34 more health plans with a benefit design based on quality and cost
35 indicators simultaneously in this State and one or more other
36 states. The superintendent may approve a pilot project under
37 this subsection if the pilot project proposal meets the
38 requirements of subsection 1, paragraphs A to E.

39 3. Reporting to superintendent. A carrier offering a
40 health plan through a pilot project approved under this section
41 shall report to the superintendent annually on or before December
42 1st. The report must include data on the number and types of
43 policies sold, demographic data on covered enrollees, an analysis
44 of the effects on cost and quality of the health plan based on
45 the cost and quality indicators used in the pilot project and a
46 summary of the results of the analysis.

2 comparison of this data with the carrier's conventional health
3 plans. The superintendent may specify additional information to
4 be included in the report.

6 4. Reporting to Legislature. The superintendent shall
7 report to the joint standing committee of the Legislature having
8 jurisdiction over health insurance matters on or before February
9 1, 2003 and annually on or before February 1st thereafter. Each
10 report must summarize the information received pursuant to
11 subsection 3 from any approved pilot projects and include the
12 superintendent's assessment of the success and efficacy of these
13 pilot projects. Upon receiving the annual report from the
14 superintendent, the joint standing committee of the Legislature
15 having jurisdiction over health insurance matters shall hold a
16 public meeting to accept comment from interested persons
17 assessing the success and efficacy of any approved pilot projects.

18 5. Repeal. This section is repealed January 1, 2008.

20 **§4316. Termination of pilot project health plans**

22 A policy, contract or certificate issued for a health plan
23 under a pilot project approved pursuant to section 4315 that is
24 in force on January 1, 2008 must, on the first renewal date on or
25 after January 1, 2008, be amended to comply with all applicable
26 provisions of this Title or be terminated and replaced with
27 another health plan offered by the carrier. If the policy is an
28 individual health plan as defined in section 2736-C or a small
29 group health plan as defined in section 2808-B, the policy may be
30 terminated and replaced by the carrier with another health plan
31 only if the superintendent finds that the carrier offers another
32 health plan sufficiently similar to the individual health plan or
33 small group health plan being terminated.'

34
35 Further amend the bill by inserting at the end before the
36 summary the following:

38
39
40 **'FISCAL NOTE**

41
42 The Bureau of Insurance within the Department of
43 Professional and Financial Regulation will incur some minor
44 additional costs to administer this program authorizing the
45 superintendent to approve, on a pilot basis, health plans that do
46 not meet current statutory and regulatory provisions relating to
47 geographic access standards. These costs can be absorbed within
48 the bureau's existing budgeted resources.'

SUMMARY

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4 This amendment is the majority report of the Joint Standing
6 Committee on Banking and Insurance and replaces the bill. The
8 amendment authorizes the Superintendent of Insurance to approve a
10 pilot project allowing a carrier to offer a health plan exempt
12 from the statutory and regulatory provisions relating to
14 geographic access standards. Health plans offered under an
approved pilot project must comply with all other provisions of
the Maine Insurance Code. The amendment also authorizes the
approval of pilot projects for multistate health insurance
products by the superintendent under the same conditions. The
provision is repealed January 1, 2008.

The amendment also adds a fiscal note to the bill.