

MAINE STATE LEGISLATURE

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MINORITY
BANKING AND INSURANCE

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

COMMITTEE AMENDMENT "B" 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 a Pilot Project to Improve Quality of Care Delivered to Health Plan Enrollees'

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 to improve quality of care

The superintendent may approve a pilot project intended to improve the quality of care delivered to enrollees in a health plan in accordance with the following provisions.

1. Pilot project to improve quality of care. A carrier may apply to the superintendent for approval of a pilot project intended to improve the quality of care delivered to enrollees in a health plan. The superintendent may approve a pilot project under the following conditions.

A. If a pilot project proposed by a carrier requires enrollees to travel distances beyond those specified in paragraphs C and D in order to obtain improved quality of care, the carrier must establish to the satisfaction of the superintendent that:

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(1) The additional travel permits the provision of better quality services and the quality improvements either significantly outweigh any detrimental impact to covered persons forced to travel longer distances to access services, or the carrier has taken steps to effectively mitigate any detrimental impact associated with requiring covered persons to travel longer distances to access services; and

(2) The pilot project meets the quality standards and cost indicators adopted by rule pursuant to paragraph B.

B. For a pilot project to be approved pursuant to paragraph A, the superintendent must have adopted a rule that clarifies the quality standards and cost indicators that satisfy the exception to the travel distances specified in paragraphs C and D. The rule must limit an enrollee's travel to a distance that does not exceed the total of the distance limit specified in paragraph C or D for the particular type of health care service multiplied by a factor of 1.5. The rule must require the carrier to cover the costs incurred by the enrollee as a result of the enrollee's being required to travel longer distances from the enrollee's residence to obtain care. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

C. Primary care services must be available within 30 minutes travel time by automobile of each enrollee's residence. The following distances must be used as guidelines in determining distances corresponding to 30 minutes travel time under normal conditions:

- (1) For areas with primary roads available, 20 miles;
- (2) For areas with only secondary roads available, 15 miles; and
- (3) For areas connected by interstate highways, 25 miles.

D. Specialty care and hospital services must be available within 60 minutes travel time by automobile of each enrollee's residence. The following distances must be used as guidelines in determining distances corresponding to 60 minutes travel time under normal conditions:

- (1) For areas with primary roads available, 40 miles;

2 (2) For areas with only secondary roads available, 30
 miles; and

4 (3) For areas connected by interstate highways, 50
 miles.

6 E. A health plan offered under a pilot project approved
8 under this section must comply with all applicable statutes
 and rules.

10 F. The superintendent may not approve a pilot project under
12 this section that requires an enrollee to receive any
 services located outside the State.

14 G. The superintendent may not approve a pilot project under
16 this section unless the Commissioner of Human Services has
18 certified that the carrier's proposed quality standards meet
 the requirements of section 4204, subsection 2-A, paragraph
 B.

20 2. Multistate products. A carrier may offer a health plan
22 under an approved pilot project that meets the requirements of
 this section in this State and one or more other states.

24 3. Reporting to superintendent. A carrier offering a health
26 plan through a pilot project approved under this section shall
28 report to the superintendent annually on or before December 1st.
30 The report must include data on the number and types of policies
32 sold, demographic data on covered enrollees, an analysis of the
34 effects on cost and quality of the health plan based on the cost
 and quality indicators used in the pilot project and a comparison
 of this data with the carrier's conventional health plans. The
 superintendent may specify additional information to be included
 in the report.

36 4. Reporting to Legislature. The superintendent shall
38 report to the joint standing committee of the Legislature having
40 jurisdiction over health insurance matters on or before February
42 1, 2003 and annually on or before February 1st thereafter. Each
44 report must summarize the information received pursuant to
46 subsection 3 from any approved pilot projects and include the
 superintendent's assessment of the success and efficacy of these
 pilot projects. Upon receiving the annual report from the
 superintendent, the joint standing committee of the Legislature
 having jurisdiction over health insurance matters shall hold a
 public meeting to accept comment from interested persons
 assessing the success and efficacy of any approved pilot projects.

48 5. Repeal. This section is repealed January 1, 2005.

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§4316. Termination of Pilot project health plans

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A policy, contract or certificate issued for a health plan under a pilot project approved pursuant to section 4315 that is in force on January 1, 2005 must, on the first renewal date on or after January 1, 2005, be amended to comply with all applicable provisions of this Title or be terminated and replaced with another health plan offered by the carrier. If the policy is an individual health plan as defined in section 2736-C or a small group health plan as defined in section 2808-B, the policy may be terminated and replaced by the carrier with another health plan only if the superintendent finds that the carrier offers another health plan sufficiently similar to the individual health plan or small group health plan being terminated.

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Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

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**PROFESSIONAL AND FINANCIAL REGULATION,
DEPARTMENT OF**

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Insurance, Bureau of 0092

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Initiative: Provides a one-time allocation to retain a consultant and cost reporter to develop required quality standards and cost indicators.

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Other Special Revenue funds	2001-02	2002-03
All Other	\$0	\$18,000'

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

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·FISCAL NOTE

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2002-03

APPROPRIATIONS/ALLOCATIONS

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Other Funds \$18,000

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

2 The Bureau of Insurance will require a one-time Other
Special Revenue funds allocation of \$18,000 in fiscal year
4 2002-03 for the additional costs necessary to retain a consultant
to develop quality standards and cost indicators as required in
the bill.'

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SUMMARY

10 This amendment is the minority report of the Joint Standing
Committee on Banking and Insurance and replaces the bill. The
12 amendment authorizes the Superintendent of Insurance to approve a
pilot project allowing a carrier to offer a health plan meeting
14 the exception to the travel distance standards in Bureau of
Insurance Rule Chapter 850 if the plan satisfies quality
16 standards and cost indicators adopted by rule by the
Superintendent of Insurance. The amendment limits the distances
18 that enrollees may be required to travel for services to no more
than 50% above the current limit for that particular type of
20 service.

22 Health plans offered under an approved pilot project must
comply with all other provisions of the Maine Insurance Code. The
24 amendment also authorizes the approval by the superintendent of
pilot projects for multistate health insurance products under the
26 same conditions. The provision is repealed January 1, 2005.

28 The amendment also adds an appropriation and allocation
section and a fiscal note to the bill.
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