

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)



120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2146

S.P. 793

In Senate, February 28, 2002

An Act to Establish the Maine Consumer Choice Health Plan.

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

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

A handwritten signature in cursive script that reads "Pamela L. Cahill".

PAMELA L. CAHILL
Secretary of the Senate

Presented by President BENNETT of Oxford.

Cosponsored by President Pro Tempore MICHAUD of Penobscot.

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

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48
50

Sec. 1. 2 MRSA §6, sub-§2, as amended by PL 1999, c. 731, Pt. F, §1; PL 2001, c. 44, §11 and affected by §14; and amended by c. 354, §3, is further amended to read:

2. Range 90. The salaries of the following state officials and employees are within salary range 90:

- Superintendent of Financial Institutions;
- State Tax Assessor;
- Superintendent of Insurance;
- Executive Director of the Maine Consumer Choice Health Plan;
- Associate Commissioner for Programs, Department of Behavioral and Developmental Services;
- Associate Commissioner of Administration, Department of Behavioral and Developmental Services;
- Associate Commissioner for Systems Operations, Department of Behavioral and Developmental Services;
- Deputy Commissioner, Department of Administrative and Financial Services;
- Associate Commissioner for Adult Services, Department of Corrections;
- Associate Commissioner for Juvenile Services, Department of Corrections;
- Public Advocate;
- Chief Information Officer; and
- Associate Commissioner for Legislative and Program Services, Department of Corrections.

Sec. 2. 5 MRSA §12004-G, sub-§21-B is enacted to read:

<u>21-B.</u>	<u>Board of</u>	<u>Expenses</u>	<u>24-A MRSA</u>
<u>Insurance</u>	<u>Directors</u>	<u>Only</u>	<u>\$4346</u>
	<u>of the Maine</u>		
	<u>Consumer</u>		
	<u>Choice</u>		
	<u>Health Plan</u>		

2 **Sec. 3. 24-A MRSA c. 56-B** is enacted to read:

4 **CHAPTER 56-B**

6 **MAINE CONSUMER CHOICE HEALTH PLAN**

8 **§4346. Maine Consumer Choice Health Plan**

10 **1. Definitions.** As used in this chapter, unless the
12 context otherwise indicates, the following terms have the
14 following meanings.

16 A. "Board" means the Board of Directors of the Maine
18 Consumer Choice Health Plan established in Title 5, section
20 12004-G, subsection 21-B.

22 B. "Director" means the Executive Director of the Maine
24 Consumer Choice Health Plan.

26 C. "Fund" means the Maine Consumer Choice Health Plan Fund.

28 D. "Plan" means the Maine Consumer Choice Health Plan
30 established in this section.

32 **2. Plan established.** The Maine Consumer Choice Health Plan
34 is established as an independent executive agency to negotiate
36 and contract with carriers to provide a choice of health benefits
38 coverage to eligible enrollees.

40 **3. Board of Directors.** The plan operates under the
42 supervision of the Board of Directors of the Maine Consumer
44 Choice Health Plan, which consists of 5 voting members.

46 A. The Governor shall appoint a member representing large
48 employers, a member representing small employers, a member
50 representing governmental entities, a member representing
Medicaid-eligible individuals and a member representing the
public. Appointments by the Governor are subject to review
by the joint standing committee of the Legislature having
jurisdiction over health insurance matters and to
confirmation by the Legislature.

B. Initial terms of the members of the board are
staggered: 3 members serve 3-year terms and 2 members serve
2-year terms. After the initial terms, members serve full
2-year terms and continue to serve until their successors
have been appointed. Board members may serve up to 3 full
terms consecutively.

2 C. Board members shall elect a chair. All meetings of the
4 board are public proceedings within the meaning of Title 1,
 chapter 13, subchapter I.

6 D. Board members are entitled to reimbursement for
8 necessary expenses according to the provisions of Title 5,
 chapter 379.

10 4. Executive director. The Executive Director of the Maine
12 Consumer Choice Health Plan is the administrator of the plan. The
14 director is appointed by the board and serves at the pleasure of
 the board.

16 5. Powers. The board may:

18 A. Enter into contracts with qualified 3rd parties for any
 service necessary to carry out the purposes of this chapter;

20 B. Employ necessary staff;

22 C. Set reasonable fees for membership in the plan for
24 financing reasonable and necessary costs incurred in
 administration of the plan;

26 D. Approve benefit plan designs offered by participating
28 carriers;

30 E. Negotiate with participating carriers the premium rates
 charged for health benefit plans offered through the plan;

32 F. Provide premium collection services for health benefit
34 plans purchased through the plan if the carrier offering the
 health benefit plan gives express written authorization to
36 the board or any other entity acting on behalf of the board
 to act as the carrier's agent for that purpose;

38 G. Establish procedures for adjusting payments within each
40 risk pool to participating carriers if the board finds that
 some carriers have a significantly disproportionate share of
42 high-risk or low-risk enrollees;

44 H. Establish a financial relationship directly with
 producers licensed pursuant to chapter 16 to market and
46 service health benefits plans offered through the plan;

48 I. Borrow any funds necessary, not to exceed \$1,000,000,
 for initial operating expenses in administering the plan;

2 J. Take any legal actions necessary or proper for
3 recovering any penalties for, on behalf of or against the
4 plan;

5 K. Undertake activities necessary to administer the plan,
6 including marketing and publicizing the plan and ensuring
7 carrier and enrollee compliance with plan requirements; and

8 L. Adopt rules as necessary to administer the plan. Rules
9 adopted pursuant to this paragraph are routine technical
10 rules as defined in Title 5, chapter 375, subchapter II-A.

11 6. Participating carriers; contracts. The board shall
12 develop objective criteria for the selection of participating
13 carriers and provide adequate notice of the application process
14 to permit all carriers a reasonable and fair opportunity to
15 participate. The selection of participating carriers must be
16 based on the criteria developed by the board.

17 7. Selection of carriers; choice of health plans. The board
18 shall contract with a reasonable number of competing carriers to
19 offer multiple health plans to ensure that enrollees have a
20 choice among carriers and types of health benefit plans in
21 accordance with this subsection.

22 A. The plan must offer, at a minimum, a fee-for-service
23 plan, a managed care plan, a point-of-service plan and a
24 basic plan. These health benefit plans must offer a range of
25 deductibles, including at least one plan with a high
26 deductible.

27 B. The basic plan offered pursuant to this subsection may
28 exclude some or all mandated benefits for specific
29 conditions for certain health care services or reimbursement
30 for certain health care providers otherwise required
31 pursuant to Title 24 or this Title as approved by the
32 superintendent to ensure an accessible and affordable option
33 to enrollees.

34 C. The plan may offer other health benefit plan designs,
35 including medical savings accounts, in accordance with
36 applicable state or federal law.

37 D. The plan may offer vision or dental plans or accidental
38 injury, specified disease, hospital indemnity, disability
39 income, Medicare supplement, long-term care or other limited
40 benefit health policies.

41 E. The plan must require participating carriers to provide
42 services to enrollees in all geographic areas of the State.

2 8. Enrollee eligibility. The board may establish
3 conditions for enrollment and participation for enrollees in
4 accordance with this subsection.

6 A. Enrollees must be residents of this State.

8 B. Employers are eligible regardless of the number of their
9 employees. An employer may be a self-employed individual.
10 Employers that choose to participate in the plan shall offer
11 enrollment to all employees and their dependents who are not
12 enrolled in another health plan.

14 C. Governmental and municipal employers are eligible.

16 D. Individuals not enrolled in another health plan may
17 participate.

18 E. Individuals eligible for Medicaid may participate on a
19 voluntary basis to the extent permitted under federal and
20 state law or any waiver granted by the Federal Government.

22 F. Conditions for eligibility may not be based on health
23 status.

26 9. Premiums. The board shall establish premiums for
27 participation in the plan including any membership fees.
28 Enrolled employers shall determine the annual amount, if any,
29 contributed by the employer toward the premium cost of health
30 coverage under the plan for employees and their dependents. The
31 board shall establish a mechanism to collect premiums from
32 enrolled employers including remittance of the share of any
33 premium paid by an employee. The board may coordinate with Maine
34 Revenue Services to develop a mechanism for collection of
35 premiums.

36 10. Risk pools. The board shall develop standards for
37 classifying groups of participating enrollees into risk pools.
38 The board may establish one or more risk pools for enrolled
39 employees and their dependents and a risk pool for enrolled
40 individuals and their dependents.

42 11. Licensing; regulation. Notwithstanding any other
43 provision of law, the plan is not subject to licensure as an
44 insurer pursuant to this Title. Carriers that contract with the
45 plan must be licensed pursuant to Title 24 or this Title. Health
46 plans offered by participating carriers must comply with all
47 applicable requirements of statutes and rules except as provided
48 in subsection 7.

50

2 12. Marketing. The board shall approve and make available
to potential enrollees educational and marketing materials,
4 health benefit plan descriptions, enrollee satisfaction survey
results and comparison sheets that accurately summarize the
6 requirements for eligibility and the health benefit plans and
premiums offered by participating carriers in the plan. The
8 information provided must enable enrollees and potential
enrollees to make informed decisions regarding their enrollment
10 in the plan and their choice of health benefit plan.
Participating carriers may not provide any marketing materials to
12 potential enrollees relating to benefits and premiums for the
plan unless authorized by the board.

14 13. Coordination with Medicaid. The board shall maximize
the use of federal funds available through the Medicaid program
16 to provide health care coverage to all individuals enrolled in
the plan who are or could become eligible for Medicaid.

18 14. Enrollee satisfaction survey. On an annual basis, the
board shall develop a survey to monitor the satisfaction of
20 enrollees participating in the plan. The results of the survey
must be made available to enrollees and the public.

24 15. Fund. The Maine Consumer Choice Health Plan Fund is
created as a dedicated fund for the deposit of any funds borrowed
26 for operating expenses and fees paid by enrollees for
administration of the plan. The fund may not lapse, but remains
28 in a continuing carrying account to carry out the purposes of
this chapter.

30 16. Annual report. Annually on or before February 1st, the
board shall submit a report on the operation of the plan to the
32 joint standing committee of the Legislature having jurisdiction
over health insurance matters. The report must include
34 information relating to the carriers participating in the plan;
the health benefit plans offered through the plan and their
36 premium rates; the total number of enrollees participating in the
plan and sorted as to employer size; and the administrative and
38 operating expenses of the plan.

42 SUMMARY

44 This bill establishes the Maine Consumer Choice Health Plan
as an independent executive agency to negotiate and provide
46 health care coverage to residents of Maine, including individuals
and employers.

48