

MAINE STATE LEGISLATURE

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INSURANCE AND FINANCIAL SERVICES

Reported by:

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STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 301, L.D. 905, Bill, "An Act To Protect Employees if Their Employer Fails To Pay Premiums for Employer-sponsored Health Insurance"

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 MRSA §2317-B, sub-§15-A is enacted to read:

15-A. Title 24-A, section 2809-A, subsections 1-A and 1-B. Notice of cancellation and availability of individual coverage, Title 24-A, section 2809-A, subsections 1-A and 1-B;

Sec. 2. 24-A MRSA §2809-A, sub-§1-A, ¶B, as repealed and replaced by PL 1995, c. 625, Pt. A, §25, is repealed.

Sec. 3. 24-A MRSA §2809-A, sub-§1-A, ¶B-1 is enacted to read:

B-1. At the time of notification under paragraph A, notice must be mailed to the certificate holder at the last address provided by the subgroup sponsor or the group policyholder to the insurer unless the insurer does not have an address on file for the certificate holder. The notice must also include information to the certificate holder about the availability of individual coverage as described in subsection 1-B.

Sec. 4. 24-A MRSA §2809-A, sub-§1-B, as enacted by PL 1997, c. 604, Pt. B, §3, is amended to read:

1-B. Notification of availability of individual coverage.

2 An insurer must provide forms to group policyholders and
3 certificate holders as required in subsection 1-A for the purpose
4 of informing terminating group members of their right to purchase
5 any individual health plan available in this State. An adequate
6 supply of forms must be provided to each group policyholder when
7 the policy is issued and at least annually thereafter. The
8 superintendent may prescribe the content of the form by routine
9 technical rule pursuant to Title 5, chapter 375, subchapter II-A
10 2-A. The form must include at least the following:

12 A. A statement that all state residents not eligible for
13 Medicare have a right to purchase any individual health plan
14 available in this State;

16 B. A statement that in order to avoid a gap in coverage,
17 the individual should apply for individual coverage prior to
18 termination of group coverage;

20 C. A statement that if more than 90 days pass between the
21 time the group coverage ends and the time individual
22 coverage begins, the individual coverage may exclude
23 preexisting conditions for one year; and

24 D. A statement that information concerning individual
25 coverage is available from the Bureau of Insurance. The
26 bureau's toll-free telephone number must also be provided.

28 **Sec. 5. 24-A MRSA §4209, sub-§6, as enacted by PL 1995, c.**
30 **189, §3 and affected by §4, is amended to read:**

32 **6. Notification of cancellation.** A health maintenance
33 organization must provide by first class mail at least 10 days'
34 prior notification of cancellation for nonpayment of enrollment
35 charges according to this section. The notice must include the
36 date of cancellation of coverage and the time period for
37 exercising contract conversion rights. Notification is not
38 required when the insurer has received written notice from the
39 group contract holder that replacement coverage has been obtained.

40 A. Notice must be mailed to the group contract holder or
41 subgroup sponsor.

42 ~~B. At the time of notification under paragraph A, notice~~
43 ~~must be mailed to the individual enrollee at:~~

44 ~~(1) The last address provided by the group contract~~
45 ~~holder to the health maintenance organization; or~~

