# 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)



## 121st MAINE LEGISLATURE

### **FIRST REGULAR SESSION-2003**

**Legislative Document** 

No. 1363

H.P. 998

House of Representatives, March 18, 2003

An Act To Create Lower-cost Health Insurance Options

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. Macfarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative WOODBURY of Yarmouth.

Cosponsored by Senator MAYO of Sagadahoc and

Representatives: BREAULT of Buxton, CANAVAN of Waterville, GLYNN of South Portland, O'NEIL of Saco, PERRY of Bangor, SNOWE-MELLO of Poland, YOUNG of

Limestone, Senator: LaFOUNTAIN of York.

Be it enacted by	the Peo	ple of the	State of	Maine as	follows:
------------------	---------	------------	----------	----------	----------

11	Sec. 1. 24-A MRSA §2736-C, sub-§10 is enacted to read:
	Sec. 1. 24-A WINDA 92/30-C, Sub-910 is enacted to read:
	10. Options included in all health coverage plans. Al
C	<u>arriers offering individual health plans in this State shal</u>
	ffer, at the time of offering and renewing a health plan, a
	lternate version of that plan in accordance with th
	equirements of this subsection and any rules adopted by th
	uperintendent pursuant to this subsection. The alternat
	<u>ersion of each plan must provide the identical coverages of th</u>
_	rimary plan except that additional deductibles and coinsurance
_	ayments must be required in the alternate plan as described in
t	his subsection.
	A. The alternate plan must include an annual deductible of
	\$3,000. The alternate plan must include a 20% coinsurance
	payment on health care expenses above \$3,000 until the
	annual out-of-pocket payments for covered health care
	expenses reach \$6,000. When the \$6,000 annual limit is met
	the coinsurance amount must be reduced to 5% on an
	additional expenses.
	B. A carrier may not enroll an individual in an alternate
	plan as described in this section if the individual has an
	other supplemental insurance coverage for the payment of the
	deductibles and coinsurance associated with the alternate
	plan.
	C. The superintendent shall adopt rules to further define
	the options required by this subsection. Rules adopted
	pursuant to this subsection are routine technical rules as
	defined in Title 5, chapter 375, subchapter 2-A.
	Sec. 2. 24-A MRSA §2808-B, sub-§10 is enacted to read:
	10. Options included in all health coverage plans. Al
c	arriers offering small group health plans in this State shal
	ffer, at the time of offering and renewing a health plan, a
	lternate version of that plan in accordance with th
	equirements of this subsection and any rules adopted by th
	uperintendent pursuant to this subsection. The alternat
	ersion of each plan must provide the identical coverages of th
	rimary plan except that additional deductibles and coinsurance
	ayments must be required in the alternate plan as described in

A. The alternate plan must include an annual deductible of 48 \$3,000. The alternate plan must include a 20% coinsurance payment on health care expenses above \$3,000 until the 50

this subsection.

46

annual out-of-pocket payments for covered health care expenses reach \$6,000. When the \$6,000 annual limit is met, 2 the coinsurance amount must be reduced to 5% on any 4 additional expenses. B. A carrier may not enroll an employee or member in an 6 alternate plan as described in this section if the employee or member has any other supplemental insurance coverage for 8 the payment of the deductibles and coinsurance associated with the alternate plan except as provided in section 10 2808-D, subsection 2. 12 C. The superintendent shall adopt rules to further define 14 the plan required by this subsection. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. 16 18 Sec. 3. 24-A MRSA §§2808-C and 2808-D are enacted to read: 20 \$2808-C. Mandatory options in all group health coverage plans 22 1. Mandatory offer. All carriers offering group health plans in this State shall offer, at the time of offering and renewing a health plan, an alternate version of that plan in 24 accordance with the requirements of this subsection and any rules adopted by the superintendent pursuant to this section. The 26 alternate version of each plan must provide the identical 28 coverages of the primary plan, except that additional deductibles and coinsurance payments must be required in the alternate plan 30 as described in this subsection. 32 A. The alternate plan must include an annual deductible of \$3,000. The alternate plan must include a 20% coinsurance payment on health care expenses above \$3,000 until the 34 annual out-of-pocket payments for covered health care 36 expenses reach \$6,000. When the \$6,000 annual limit is met, the coinsurance amount must be reduced to 5% on any 38 additional expenses. 40 B. A carrier may not enroll an employee or member in an alternate plan as described in this section if the employee 42 or member has any other supplemental insurance coverage for the payment of the deductibles and coinsurance associated with the alternate plan, except as provided in section 44 2808-D, subsection 2. 46 2. Rulemaking. The superintendent shall adopt rules to further define the plan required by subsection 1. Rules adopted 48

pursuant to this section are routine technical rules as defined

in Title 5, chapter 375, subchapter 2-A.

50

### §2808-D. Employee choice of alternate plans

- An employer who offers coverage under a group plan to its employees, including a small group plan as defined in section 2808-B, subsection 1, paragraph G, shall also offer its employees, at the time of offering and renewal of the health plan, the option of selecting the alternate plan or plans offered by a carrier pursuant to section 2808-B, subsection 10 or section 2808-C.
  - 1. Employer contributions. An employer that contributes to the premium cost of any health plan for its employees shall contribute the same amount to the premium cost of the corresponding alternate plan or the total premium cost of the alternate plan, whichever is less. An employer may not be required to pay more for health benefits as a result of the application of this section than would otherwise be paid.
    - 2. Medical savings accounts. To the extent allowed by federal and state law, an employer may establish medical savings accounts for its employees in conjunction with an alternate plan for the purposes of supporting the deductible and coinsurance costs to plan enrollees.
      - Sec. 4. 24-A MRSA §4222-B, sub-§21 is enacted to read:
- 28 21. Section 2736-C, subsection 10, 2808-B, subsection 10 and 2808-C, relating to the health coverage plan, apply to health maintenance organizations.

#### **SUMMARY**

This bill requires health insurance carriers to create an alternate version of each individual and group health coverage plan. The alternate version of each plan would have the identical coverages of the primary plan except that additional deductibles and patient cost-sharing would be required. The bill also requires that employers providing health insurance coverage to their employees offer their employees the option of choosing either the primary plan or the alternate plan. To the extent allowed by federal and state law, the bill allows employers to establish medical savings accounts in conjunction with the alternate plan for the purposes of supporting the deductible and coinsurance costs to employees.