

MAINE STATE LEGISLATURE

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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 People of the State of Maine as follows:

Sec. 1. 24-A MRSA §2736-C, sub-§10 is enacted to read:

10. Options included in all health coverage plans. All carriers offering individual health plans in this State shall offer, at the time of offering and renewing a health plan, an alternate version of that plan in accordance with the requirements of this subsection and any rules adopted by the superintendent pursuant to this subsection. The alternate version of each plan must provide the identical coverages of the primary plan except that additional deductibles and coinsurance payments must be required in the alternate plan as described in this 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 any additional expenses.

B. A carrier may not enroll an individual in an alternate plan as described in this section if the individual has any 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. All carriers offering small 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 accordance with the requirements of this subsection and any rules adopted by the superintendent pursuant to this subsection. The alternate version of each plan must provide the identical coverages of the primary plan except that additional deductibles and coinsurance payments must be required in the alternate plan as described in this 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

2 annual out-of-pocket payments for covered health care
3 expenses reach \$6,000. When the \$6,000 annual limit is met,
4 the coinsurance amount must be reduced to 5% on any
5 additional expenses.

6 B. A carrier may not enroll an employee or member in an
7 alternate plan as described in this section if the employee
8 or member has any other supplemental insurance coverage for
9 the payment of the deductibles and coinsurance associated
10 with the alternate plan except as provided in section
11 2808-D, subsection 2.

12 C. The superintendent shall adopt rules to further define
13 the plan required by this subsection. Rules adopted pursuant
14 to this subsection are routine technical rules as defined in
15 Title 5, chapter 375, subchapter 2-A.

16
17 **Sec. 3. 24-A MRSA §§2808-C and 2808-D** are enacted to read:

18
19 **§2808-C. Mandatory options in all group health coverage plans**

20
21 **1. Mandatory offer.** All carriers offering group health
22 plans in this State shall offer, at the time of offering and
23 renewing a health plan, an alternate version of that plan in
24 accordance with the requirements of this subsection and any rules
25 adopted by the superintendent pursuant to this section. The
26 alternate version of each plan must provide the identical
27 coverages of the primary plan, except that additional deductibles
28 and coinsurance payments must be required in the alternate plan
29 as described in this subsection.

30
31 A. The alternate plan must include an annual deductible of
32 \$3,000. The alternate plan must include a 20% coinsurance
33 payment on health care expenses above \$3,000 until the
34 annual out-of-pocket payments for covered health care
35 expenses reach \$6,000. When the \$6,000 annual limit is met,
36 the coinsurance amount must be reduced to 5% on any
37 additional expenses.

38
39 B. A carrier may not enroll an employee or member in an
40 alternate plan as described in this section if the employee
41 or member has any other supplemental insurance coverage for
42 the payment of the deductibles and coinsurance associated
43 with the alternate plan, except as provided in section
44 2808-D, subsection 2.

45
46 **2. Rulemaking.** The superintendent shall adopt rules to
47 further define the plan required by subsection 1. Rules adopted
48 pursuant to this section are routine technical rules as defined
49 in Title 5, chapter 375, subchapter 2-A.
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