

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 442

H.P. 327

House of Representatives, January 27, 2005

An Act To Provide Health Care Savings Accounts and Health Care Management in MaineCare

Reference to the Committee on Health and Human Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative BOWEN of Rockport.

Cosponsored by Representatives: CAMPBELL of Newfield, CURLEY of Scarborough,
GLYNN of South Portland, LEWIN of Eliot, LINDELL of Frankfort, SHIELDS of Auburn.

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

Sec. 1. 22 MRSA §3174-GG is enacted to read:

§3174-GG. MaineCare health care savings accounts and health care management

The department shall establish health care savings accounts and a health care management program within the MaineCare program. The terms of the health care management program, referred to in this section as "the program," and of the health care savings accounts are subject to approval of a waiver application by the federal Centers for Medicare and Medicaid Services and rules adopted by the department to implement the program. The requirements for health care savings accounts and the program are as follows.

1. Member election. Upon initial MaineCare enrollment or continuing eligibility review, a member must discuss enrollment options with an enrollment counselor to be assigned to a health care manager to administer the member's benefits.

2. Program operation. A member receives health coverage that includes benefits for preventive, routine and catastrophic illness or injury care, using networks and payment structures negotiated by the health care manager. Routine care program benefits are determined by the member, with participation by the health care manager for accounting assistance only, up to the amount contained in the member's health care savings account. Preventive and catastrophic program benefits are determined by the member, paid for under contract by the health care manager, with administrative services provided by the health care manager.

3. Member account. Each member, with the participation of the health care manager for accounting assistance only, shall establish an individual or family health care savings account to which contributions must be paid by the department based on average MaineCare costs in the prior year, adjusted by age, gender and other factors determined by the department to be actuarially applicable. Account balances unpaid at the end of each calendar year carry forward to the next year for use during that year or may be transferred as provided in subsection 6.

4. Capitation. Health care managers contract with the department to provide coverage and benefits under the program and are paid a capitated rate per enrolled member for routine preventive and catastrophic care. Rates must be set based on average MaineCare costs in the prior year, adjusted by age, gender and other factors determined by the department to be actuarially applicable.

2 **5. Purchase of coverage.** A member may purchase health
coverage individually or as a member of a group from a carrier
4 authorized to transact business in this State pursuant to Title
24 or Title 24-A. The member may fund the purchase of health
6 coverage through transfers of the balance in the member's health
care savings account and of the funds that the department would
8 otherwise pay to the health care manager.

10 **6. Transfer.** At the end of the year, a member may elect to
transfer all or a portion of the balance remaining in a member
12 account under subsection 3 to a family development account
established under Title 10, chapter 110, subchapter 4-A. An
14 amount transferred from a member account to a family development
account is subject to the provisions of this subsection.

16 A. The amount transferred pursuant to this subsection is
18 eligible to be matched as permitted under Title 10, section
1076, subsection 4, paragraph B.

20 B. The amount transferred pursuant to this subsection may
22 be withdrawn for health care purposes under Title 10,
section 1077, subsection 1, paragraph F.

24 C. Any amount deposited into the family development account
26 pursuant to this subsection as a matching contribution to
the amount transferred from a member account may be
28 withdrawn for any of the purposes under Title 10, section
1077, subsection 1.

30 **7. Reporting.** The department shall report by February 15th
32 of each year to the joint standing committees of the Legislature
having jurisdiction over appropriations and financial affairs and
34 health and human services matters regarding operation of the
health care savings accounts and the program within the MaineCare
36 program.

38 **8. Rulemaking.** Rules adopted pursuant to this section are
40 routine technical rules as defined in Title 5, chapter 375,
subchapter 2-A.

SUMMARY

44 This bill directs the Department of Health and Human
46 Services to establish health savings accounts and a health care
management program within the MaineCare program, subject to a
48 waiver from the federal Centers for Medicare and Medicaid
Services. The bill requires the department to report by February
50 15th of each year to the joint standing committees of the
Legislature having jurisdiction over appropriations and financial

2 affairs and health and human services matters regarding operation
of the health care savings accounts and health care management
program within the MaineCare program.