

MAINE STATE LEGISLATURE

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DATE: 4/27/05

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INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 544, L.D. 767, Bill, "An Act To Improve the Affordability of 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-A MRSa §2752, sub-§3, ¶B, as amended by PL 2001, c. 258, Pt. I, §1, is further amended to read:

B. The financial impact of mandating the benefit, including:

(1) The extent to which the proposed insurance coverage would increase or decrease the cost of the treatment or service over the next 5 years;

(2) The extent to which the proposed coverage might increase the appropriate or inappropriate use of the treatment or service over the next 5 years;

(3) The extent to which the mandated treatment or service might serve as an alternative for more expensive or less expensive treatment or service;

(4) The methods that will be instituted to manage the utilization and costs of the proposed mandate;

(5) The extent to which the insurance coverage may affect the number and types of providers of the mandated treatment or service over the next 5 years;

COMMITTEE AMENDMENT

B.013

- 2 (6) The extent to which insurance coverage of the
4 health care service or provider may be reasonably
6 expected to increase or decrease the insurance premium
8 and administrative expenses of policyholders;
- 10 (7) The impact of indirect costs, which are costs
12 other than premiums and administrative costs, on the
14 question of the costs and benefits of coverage;
- 16 (8) The impact of this coverage on the total cost of
18 health care, including potential benefits and savings
20 to insurers and employers because the proposed mandated
22 treatment or service prevents disease or illness or
24 leads to the early detection and treatment of disease
or illness that is less costly than treatment or
service for later stages of a disease or illness;
- (9) The effects of mandating the benefit on the cost
of health care, particularly the premium and
administrative expenses and indirect costs, to
employers and employees, including the financial impact
on small employers, medium-sized employers and large
employers; and
- (10) The effect of the proposed mandate on
cost-shifting between private and public payors of
health care coverage and on the overall cost of the
health care delivery system in this State.

30 In order to enable the committee to assess the financial
32 impact of the benefit, the report must include a comparison
34 of the rate of increase in the Consumer Price Index for
36 medical care services to the rate of increase in the
38 Consumer Price Index for the previous year and the current
year as reported by the United States Department of Labor,
Bureau of Labor Statistics.'

40 **SUMMARY**

42 This amendment replaces the bill. The amendment requires
44 that the Department of Administrative and Financial Services,
46 Bureau of Insurance include a comparison of the rate of increase
in the Consumer Price Index for medical services to the rate of
increase in the Consumer Price Index for the previous year and

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COMMITTEE AMENDMENT "A" to H.P. 544, L.D. 767

2 current year in any review and evaluation prepared on a mandated
health benefit proposal.

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FISCAL NOTE REQUIRED
(See attached)

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COMMITTEE AMENDMENT



Approved: 03/22/05 *MAC*

122nd MAINE LEGISLATURE

LD 767

LR 1318(02)

An Act To Improve the Affordability of Health Insurance

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Bureau of Insurance in the Department of Professional and Financial Regulation in implementing this bill can be absorbed utilizing existing resources.