

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 1523

H.P. 1070

House of Representatives, March 31, 2005

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 Representatives: BRAUTIGAM of Falmouth, PILON of Saco, Senator:
MILLS of Somerset.

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

4 **PART A**

6 **Sec. A-1. 24-A MRSA §2808-B, sub-§10** is enacted to read:

8 10. Options included in all health coverage plans. All
10 carriers offering small group health plans in this State shall
12 offer, when offering and when renewing a health plan, alternative
14 coverage under a catastrophic plan defined in rules adopted by
16 the superintendent. The superintendent shall adopt rules to
18 define the catastrophic plan that must be offered pursuant to
20 this subsection. Rules adopted pursuant to this subsection are
22 routine technical rules as defined in Title 5, chapter 375,
24 subchapter 2-A. To the extent allowed by federal and state law, a
26 carrier may offer health savings accounts in conjunction with a
28 catastrophic plan.

30 **Sec. A-2. 24-A MRSA §§2808-C and 2808-D** are enacted to read:

32 **§2808-C. Mandatory options in all group health coverage plans**

34 1. Mandatory offer. All carriers offering group health
36 plans in this State shall offer, when offering and when renewing
38 a health plan, alternative coverage under a catastrophic plan
40 defined in rules adopted by the superintendent. The
42 superintendent shall adopt rules to define the catastrophic plan
44 that must be offered pursuant to this subsection. Rules adopted
46 pursuant to this subsection are routine technical rules as
48 defined in Title 5, chapter 375, subchapter 2-A. To the extent
50 allowed by federal and state law, a carrier may offer health
savings accounts in conjunction with a catastrophic plan.

§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, when offering and when renewing of the health plan,
the option of selecting the catastrophic 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
catastrophic plan or the total premium cost of the catastrophic
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 2. Medical savings accounts. To the extent allowed by
3 federal and state law, an employer may establish health savings
4 accounts for its employees in conjunction with a catastrophic
5 plan.

6 Sec. A-3. 24-A MRSA §4222-B, sub-§21 is enacted to read:

7
8
9 21. Section 2736-C, subsection 10; section 2808-B,
10 subsection 10; and section 2808-C, relating to the health
11 coverage plan, apply to health maintenance organizations.

14 PART B

16 Sec. B-1. 5 MRSA §285, sub-§2, as amended by PL 1991, c. 780,
17 Pt. Y, §23, is further amended to read:

18
19 **2. Coverage.** Each state employee to whom this section
20 applies is eligible for a group health plan as provided in Title
21 24-A, sections 2802 to 2812, including major medical benefits or
22 through a self-funded alternative. Beginning January 1, 2006,
23 the State shall offer each state employee eligible for coverage
24 under this section alternative coverage under a health insurance
25 policy in conjunction with a health savings account in accordance
26 with federal law. The provisions of the group insurance policy
27 or policies or the self-funded alternative must be determined,
28 insofar as the provisions are not inconsistent with terms and
29 conditions contained in collective bargaining agreements
30 negotiated pursuant to Title 26, chapter 9-B, by the State
31 Employee Health Commission as provided in section 285-A. The
32 master policy for the group health plan must be held by the
33 Commissioner of Administrative and Financial Services.

36 SUMMARY

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38 Part A requires health insurance carriers to offer a
39 catastrophic health plan as alternative coverage for each of its
40 group health coverage plans. The bill requires the
41 Superintendent of Insurance to define, by rule, the requirements
42 of the catastrophic plan. The bill also requires that employers
43 providing health insurance coverage to their employees offer
44 their employees the option of choosing the catastrophic plan. To
45 the extent allowed by federal and state law, the bill allows
46 carriers and employers to establish health savings accounts in
47 conjunction with the catastrophic plan.
48

2 Part B requires the State Employee Health Insurance Program
to offer a high-deductible health plan option compatible with
health savings accounts.