

# MAINE STATE LEGISLATURE

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L.D. 1577

DATE: 6-10-05

(Filing No. H-681)

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

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 555, L.D. 1577, Bill, "An Act To Modify the Calculation and Implementation Date of Savings Offset Payments under the Dirigo Health Act"

Amend the amendment by striking out all of the emergency preamble.

Further amend the amendment in Part A in section 5 by striking out all of subsection 12 and inserting in its place the following:

'12. Report; jurisdiction. Dirigo Health shall report twice annually, once in January and once during the last month of the regular legislative session, to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters on the Dirigo Health Program and budget. Minutes of meetings of the Board of Directors of Dirigo Health must be provided to each member of the joint standing committees of the Legislature having jurisdiction over insurance and financial services matters, health and human services matters and appropriations and financial affairs.'

Further amend the amendment in Part B in section 1 by striking out all of subsections 2 and 3 (page 8, lines 19 to 48 in amendment) and inserting in their place the following:

**'2. Convening of working group; schedule.** The Superintendent of Insurance shall convene the first meeting of the working group. In order to complete its work in a timely fashion, the

**HOUSE AMENDMENT**

working group may make its recommendations in accordance with  
time frames discussed with the Joint Standing Committee on  
Insurance and Financial Services.

**3. Duties.** The working group shall make recommendations to  
advise the board on the following issues:

A. The definition of "subsidy" within the Dirigo Health  
Program;

B. The definition of "paid claims" for the purpose of using  
paid claims as the base for savings offset payment  
assessments on health insurance carriers, 3rd-party  
administrators and employee benefit excess insurance  
carriers;

C. The process for implementing and invoicing savings offset  
payment assessments based on the recommended definition of  
paid claims;

D. The board's proposed methodology for calculating  
aggregate measurable cost savings. This recommendation must  
be made no later than September 20, 2005; and

E. A funding strategy to cover Dirigo Health's  
administrative expenses. This recommendation must be made no  
later than December 31, 2005.'

Further amend the amendment in Part B in section 2 in  
subsection 2 by striking out all of paragraphs A to C and  
inserting in their place the following:

'A. No later than the effective date of this Act, the board  
shall file with the Superintendent of Insurance its  
determination as to the aggregate measurable cost savings in  
this State, including any reduction or avoidance of bad debt  
and charity care cost to health care providers as a result  
of the operation of Dirigo Health and any increased  
MaineCare enrollment due to an expansion in MaineCare  
eligibility occurring after June 30, 2004 as well as the  
supporting information for that determination. The filing  
constitutes a public record; and

B. Following a public hearing held in accordance with the  
Maine Administrative Procedure Act and no later than 6 weeks  
following the effective date of this Act, the Superintendent  
of Insurance shall issue an order approving, in whole or in  
part, or disapproving the filing made under paragraph A.  
The board is designated a party to the hearing. The  
superintendent shall approve the filing upon a determination

2 that the aggregate measurable cost savings filed by the  
board are reasonably supported by the evidence in the  
record.'

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6 Further amend the amendment by inserting after Part C the  
following:

8 **PART D**

10 **Sec. D-1. Appropriations and allocations.** The following  
appropriations and allocations are made.

12 **PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

14 **Bureau of Insurance 0092**

16 Initiative: Allocates funds for the costs of reviewing and  
18 analyzing the Board of Directors of Dirigo Health filing of its  
determination as to the aggregate measurable cost savings from  
20 the operation of Dirigo Health and related MaineCare expansions.

22	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2005-06</b>	<b>2006-07</b>
24	All Other	\$50,000	\$0
26	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$50,000</b>	<b>\$0</b>

28 Further amend the amendment by striking out all of the  
emergency clause.

30 **SUMMARY**

32 This amendment strikes the emergency preamble and emergency  
34 clause and accordingly adjusts certain dates within the bill as  
amended by Committee Amendment A.

36 This amendment also replaces language in the committee  
38 amendment regarding legislative jurisdiction over Dirigo Health.

40 This amendment also revises the deadlines for the first  
assessment year.

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 555, L.D.  
1577

2 This amendment also adds an appropriations and allocations  
section.

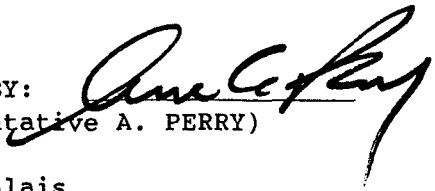
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FISCAL NOTE REQUIRED  
(See attached)

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SPONSORED BY:   
(Representative A. PERRY)

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TOWN: Calais

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# 122nd MAINE LEGISLATURE

LD 1577

LR 1479(05)

## An Act To Modify the Calculation and Implementation Date of Savings Offset Payments under the Dirigo Health Act

Fiscal Note for House Amendment "A" to Committee Amendment "A"

Sponsor: Rep. Perry

Fiscal Note Required: Yes

### Fiscal Note

	2004-05	2005-06	2006-07	Projections 2007-08	Projections 2008-09
<b>Appropriations/Allocations</b>					
Other Special Revenue Funds		\$50,000	\$0	\$0	\$0

#### Fiscal Detail and Notes

Assumes the Bureau of Insurance in the Department of Professional and Financial Regulation will require an additional Other Special Revenue Funds allocation of \$50,000 for the one-time costs of reviewing and analyzing the Dirigo Health Board's filing of its determination as to the aggregate measurable cost savings from the operation of Dirigo Health and related MaineCare expansions. The allocation is needed for the costs of contracted external expertise the Bureau anticipates it will need.