

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

H. 689

L.D. 1577

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48

DATE: 6/14/5

(Filing No. H-689)

Reproduced and distributed under the direction of the Clerk of the House.

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

HOUSE AMENDMENT "D" 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 in Part A in section 11 in subsection 2 in paragraph D in the last line (page 5, line 43 in amendment) by inserting after the following: "Forum." the following: 'Pursuant to section 6912, the cost of any experience modification program or similar arrangement must be considered a general administrative expense.'

Further amend the amendment in Part C in section 8 in that part designated "§6910." in subsection 4 in paragraph A by striking out all of subparagraphs (6) and (7) (page 15, lines 30 to 44 in amendment) and inserting in their place the following:

'(6) Dirigo Health may administer continuation benefits for eligible individuals from employers with 20 or more employees who have purchased health insurance coverage through Dirigo Health for the duration of their eligibility periods for continuation benefits pursuant to the federal Consolidated Omnibus Budget Reconciliation Act, Public Law 99-272, Title X, Private Health Insurance Coverage, Sections 10001 to 10003; and

(7) Dirigo Health may administer or contract to administer the United States Internal Revenue Code of 1986, Section 125 plans for employers and employees participating in Dirigo Health, including medical expense reimbursement accounts and dependent care reimbursement accounts; and

HOUSE AMENDMENT

H.018

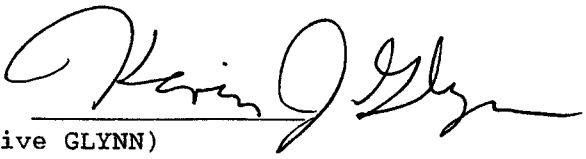
HOUSE AMENDMENT "D" to COMMITTEE AMENDMENT "A" to S.P. 555, L.D.
1577

2 (8) After December 31, 2006, Dirigo Health may not
4 include in its contracts with carriers or 3rd-party
6 administrators any experience modification program or
8 other similar arrangement in which payments are made by
10 Dirigo Health to the carrier or 3rd-party administrator
12 to be set aside to cover unanticipated variance in
14 claims experience.'

10 **SUMMARY**

12 This amendment requires the cost of an experience
14 modification program to be considered a general administrative
16 expense, thus not includable in the savings offset amount
calculation.

18 This amendment specifies that after December 31, 2006 Dirigo
20 Health may not include in its contracts with carriers or
22 3rd-party administrators any experience modification program or
other similar arrangement.

24 SPONSORED BY: 
26 (Representative GLYNN)

28 TOWN: South Portland

30 **FISCAL NOTE REQUIRED**
(See attached)



122nd MAINE LEGISLATURE

LD 1577

LR 1479(13)

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

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

Sponsor: Rep. Glynn

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium revenue decrease - Other Special Revenue Funds

Potential current biennium savings - Other Special Revenue Funds

Undetermined future biennium impact - Other Special Revenue Funds

Fiscal Detail and Notes

Assumes the exclusion of experience modification program costs from the savings offset amount calculation could reduce savings offset payment revenue below amounts assumed for the Dirigo Health program's 2006-2007 Part 1 Current Services budget baseline. Assumes the elimination of an experience modification program after December 31, 2006 could result in a short-term reduction in spending, but the longer term implications are not known at this time.