

MAINE STATE LEGISLATURE

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Mc
R.O.S.

L.D. 1845

DATE: 4-27-06

(Filing No. H-1060)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 1285, L.D. 1845, Bill, "An Act To Increase Access to Health Insurance Products"

Amend the amendment by inserting after the title the following:

'Amend the bill by striking out the title and substituting the following:

'Resolve, To Establish the Blue Ribbon Commission To Study Alternative Models for the Dirigo Health Program'

Further amend the amendment in the first paragraph after the title in the first line (page 1, line 22 in amendment) by striking out the following: "Amend" and inserting in its place the following: 'Further amend'

Further amend the amendment in the first paragraph after the title in the first 2 lines (page 1, lines 22 and 23 in amendment) by striking out the following: "enacting clause" and inserting in its place the following: 'title'

Further amend the amendment by striking out all of sections 1 to 10 and inserting in their place the following:

'Sec. 1. Commission established. Resolved: That the Blue Ribbon Commission To Study Alternative Models for the Dirigo Health Program, referred to in this resolve as "the commission," is established; and be it further

Refs.

2 **Sec. 2. Commission membership. Resolved:** That the commission
3 consists of 11 members appointed as follows:

4
5 1. Two members of the Senate appointed by the President of
6 the Senate and 2 members of the House of Representatives
7 appointed by the Speaker of the House. At least one legislative
8 member appointed must be a member of the Joint Standing Committee
9 on Insurance and Financial Services and at least one legislative
10 member appointed must be a member of the Joint Standing Committee
11 on Appropriations and Financial Affairs. Legislative
12 appointments under this subsection must be representative of the
13 bipartisan interests of the Legislature;

14
15 2. Two members appointed by the President of the Senate,
16 one member representing interests of employers recommended by a
17 statewide organization of businesses and employers and one member
18 representing hospitals recommended by a statewide hospital
19 association;

20
21 3. Two members appointed by the Speaker of the House, one
22 member representing health insurance carriers recommended by a
23 statewide association of health plans and one member representing
24 insurance producers authorized by the Superintendent of Insurance
25 to sell health insurance products; and

26
27 4. Three members appointed by the Governor, one member
28 representing the Dirigo Health Board of Directors, one member who
29 is an employer enrolled in the DirigoChoice program and one
30 member representing consumers; and be it further

31 **Sec. 3. Chairs. Resolved:** That the first-named Senate member
32 is the Senate chair of the commission and the first-named House
33 of Representatives member is the House chair of the commission;
34 and be it further

35
36 **Sec. 4. Appointments; convening of commission. Resolved:** That
37 all appointments must be made no later than 30 days following the
38 effective date of this resolve. The appointing authorities shall
39 notify the Executive Director of the Legislative Council once all
40 appointments have been completed. Within 15 days after
41 appointment of all members, the Executive Director of the
42 Legislative Council shall call and convene the first meeting of
43 the commission, which must be no later than August 15th; and be
44 it further

45
46 **Sec. 5. Duties. Resolved:** That the commission shall study
47 alternative models for the Dirigo Health Program in comparison to
48 the current operations of the program, including the formation of
49 a self-administered plan, the establishment of a nonprofit
50

entity, the use of a voucher system and other models for
providing access to health care benefits under the program. In
conducting this study, the commission shall for each model:

1. Develop a timeline and enrollment goals to reduce and
eliminate the number of uninsured residents in this State under
that model and test the model's viability to meet the timeline
and enrollment goals;

2. Develop projections for the expected funding needs for
subsidies annually and sources of funding for subsidies;

3. Estimate anticipated program costs, including premium
rates and other costs to program enrollees;

4. Develop a projected budget for administrative costs;

5. Evaluate the potential liability of the State, Dirigo
Health, health care providers and enrollees in the program in the
event of an insolvency;

6. Compare the model to similar models used in the private
sector and evaluate its financial structure for safety and
soundness;

7. Evaluate the potential effect of the model on the
private market for health insurance in the State; and

8. Evaluate the need for additional regulation of the model
to ensure consumer protection; and be it further

Sec. 6. Staff assistance. Resolved: That, upon approval of the
Legislative Council, the Office of Policy and Legal Analysis and
the Office of Fiscal and Program Review shall provide necessary
staffing services to the commission; and be it further

Sec. 7. Compensation. Resolved: That legislative members of
the commission are entitled to receive the legislative per diem,
as defined in the Maine Revised Statutes, Title 3, section 2, and
reimbursement for travel and other necessary expenses related to
their attendance at authorized meetings of the commission.
Public members not otherwise compensated by their employers or
other entities that they represent are entitled to receive
reimbursement of necessary expenses and, upon a demonstration of
financial hardship, a per diem equal to the legislative per diem
for their attendance at authorized meetings of the commission;
and be it further

2 **Sec. 8. Report. Resolved:** That, no later than November 1,
3 2006, the commission shall submit a report that includes its
4 findings and recommendations, including suggested legislation,
5 for presentation to the joint standing committee of the
6 Legislature having jurisdiction over insurance and financial
7 services matters and the Legislative Council. The commission is
8 authorized to introduce legislation related to its report to the
9 First Regular Session of the 123rd Legislature at the time of
10 submission of its report; and be it further

11 **Sec. 9. Budget. Resolved:** That, the chairs of the commission,
12 with assistance from the commission staff, shall administer the
13 commission's budget. Within 10 days after its first meeting, the
14 commission shall present a work plan and proposed budget to the
15 Legislative Council for its approval. The commission may not
16 incur expenses that would result in the commission's exceeding
17 its approved budget. Upon request from the commission, the
18 Executive Director of the Legislative Council shall promptly
19 provide the commission chairs and staff with a status report on
20 the commission's budget, expenditures incurred and paid and
21 available funds; and be it further

22 **Sec. 10. Receipt of outside funds authorized. Resolved:** That the
23 commission may seek outside funds to fund costs of the commission
24 other than authorized per diem and expenses of the members
25 authorized by section 7. Contributions to support the work of
26 the commission may not be accepted from any party having a
27 pecuniary or other vested interest in the outcome of the matters
28 being studied. Any person, other than a state agency, desiring
29 to make a financial or in-kind contribution must certify to the
30 Legislative Council that it has no pecuniary or other vested
31 interest in the outcome of the study. The certification must be
32 made in the manner prescribed by the Legislative Council. All
33 contributions are subject to approval by the Legislative
34 Council. All funds accepted must be forwarded to the Executive
35 Director of the Legislative Council along with an accounting
36 record that includes the amount of the funds, the date the funds
37 were received, from whom the funds were received and the purpose
38 of and any limitation on the use of the funds. The Executive
39 Director of the Legislative Council shall administer any funds
40 received by the commission; and be it further

41 **Sec. 11. Appropriations and allocations. Resolved:** That the
42 following appropriations and allocations are made.
43
44

2 **LEGISLATURE**

4 **Study Commissions - Funding 0444**

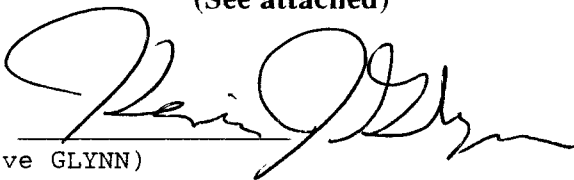
6 Initiative: Provides a base allocation of \$500 in fiscal year
2006-07 in the event that outside funding is received to support
8 the work of the Blue Ribbon Commission To Study Alternative
Models for the Dirigo Health Program.

10 OTHER SPECIAL REVENUE FUNDS	2005-06	2006-07
12 All Other	\$0	\$500
14 OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$500'</u>

16 **SUMMARY**

18 This amendment removes all of the provisions in the majority
20 report and turns the bill into a resolve requiring the creation
of the Blue Ribbon Commission To Study Alternative Models for the
22 Dirigo Health Program. The amendment requires the commission to
study alternative models, including the formation of a
24 self-administered plan, the establishment of a nonprofit entity,
the use of a voucher system and other models. The commission is
26 composed of 11 members, including 4 Legislators, a representative
of the Dirigo Health Board of Directors and members representing
28 the interests of employers, health insurance carriers, hospitals,
insurance producers and consumers. The amendment requires the
30 commission to report to the First Regular Session of the 123rd
Legislature and also authorizes the commission to introduce
32 recommended legislation. This amendment adds an appropriations
and allocations section.

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

36
38
40
42 SPONSORED BY: 
(Representative GLYNN)

44 TOWN: South Portland



122nd MAINE LEGISLATURE

LD 1845

LR 2927(08)

An Act To Increase Access to Health Insurance Products

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

Sponsor: Rep Glynn

Fiscal Note Required: Yes

Fiscal Note

Current Costs - Legislative Study

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$500	\$0	\$0

Legislative Study

The projected costs to fund the general operating expenses of the Blue Ribbon Commission to Study Alternative Models for the Dirigo Health Program are \$2,850 in fiscal year 2006-07. The Legislature's budget includes \$20,000 in fiscal year 2006-07 for legislative studies. Whether that amount is sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature. There is also a base allocation of \$500 in fiscal year 2006-07 in the event that outside funding is received to support the work of the commission.

Fiscal Detail and Notes

By eliminating the provisions in the committee amendment this amendment eliminates the potential costs to the General Fund but adds the costs of the legislative study.