

# MAINE STATE LEGISLATURE

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*M*  
*R.O.S.*

L.D. 1845

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DATE: **4-27-06**

(Filing No. S-**633**)

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**STATE OF MAINE  
SENATE  
122ND LEGISLATURE  
SECOND REGULAR SESSION**

SENATE AMENDMENT "**B**" 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

**SENATE AMENDMENT**

R. of S.

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

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

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

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

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

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

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

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

# SENATE AMENDMENT

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SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1285,  
L.D. 1845

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

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SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1285,  
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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.  
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44

R.015

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1285,  
L.D. 1845

2 **LEGISLATURE**

4 **Study Commissions - Funding 0444**

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

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

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

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

40 SPONSORED BY: *Sen. Snowe Mello*  
42 (Senator SNOWE-MELLO)

44 COUNTY: Androscoggin



# 122nd MAINE LEGISLATURE

LD 1845

LR 2927(10)

## An Act To Increase Access to Health Insurance Products

Fiscal Note for Senate Amendment '**B**' to Committee Amendment '**A**'

Sponsor: Sen. Snowe-Mello

Fiscal Note Required: Yes

### Fiscal Note

#### Current Costs - Legislative Study

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
<b>Appropriations/Allocations</b>				
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.