

MAINE STATE LEGISLATURE

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L.D. 1935

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DATE: 5-22-06

(Filing No. H-1100)

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

HOUSE AMENDMENT "H" to COMMITTEE AMENDMENT "A" to S.P. 736, L.D. 1935, Bill, "An Act To Protect Health Insurance Consumers"

Amend the amendment in Part A by striking out all of sections 1 to 3 and inserting in their place the following:

Sec. A-1. 24-A MRSA §2736-C, sub-§2, ¶F, as enacted by PL 2003, c. 469, Pt. E, §12, is amended to read:

F. A carrier that adjusts its rate shall account for the ~~savings-offset-payment-or~~ any recovery in ~~that~~ the savings offset payment in its experience consistent with this section and section 6913, but the carrier may not adjust its rate to reflect the savings offset payment amount paid by the carrier.

Sec. A-2. 24-A MRSA §2808-B, sub-§2-B, ¶D, as enacted by PL 2003, c. 469, Pt. E, §16, is amended to read:

D. A carrier that adjusts its rate shall account for the ~~savings-offset-payment-or~~ any recovery of ~~that~~ the savings offset payment in its experience consistent with this section and section 6913, but the carrier may not adjust its rate to reflect the savings offset payment amount paid by the carrier.

Sec. A-3. 24-A MRSA §2839-B, sub-§2, as enacted by PL 2003, c. 469, Pt. E, §17, is amended to read:

2 **2. Annual filing.** Every carrier offering group health
3 insurance specified in subsection 1 shall annually file with the
4 superintendent on or before April 30th a certification signed by
5 a member in good standing of the American Academy of Actuaries or
6 a successor organization that the carrier's rating methods and
7 practices are in accordance with generally accepted actuarial
8 principles and with the applicable actuarial standards of
9 practice as promulgated by an actuarial standards board. The
10 filing must certify that the carrier has not included in its
11 experience any savings offset payments paid in accordance with
12 section 6913. The filing must also certify that the carrier has
13 included in its experience any savings--offset--payments--or
14 recovery of these savings offset payments consistent with section
15 6913. The filing also must state the number of policyholders,
16 certificate holders and dependents, as of the close of the
17 preceding calendar year, enrolled in large group health insurance
18 plans offered by the carrier. A filing and supporting information
19 are public records except as provided by Title 1, section 402,
20 subsection 3.

21 **Sec. A-4. 24-A MRSA §6913, sub-§2,** as repealed and replaced by
22 PL 2005, c. 400, Pt. A, §11, is amended to read:

23 **2. Determination of savings offset amount.** The board shall
24 determine annually a savings offset amount to be paid by health
25 insurance carriers, employee benefit excess insurance carriers
26 and 3rd-party administrators, not including carriers and
27 3rd-party administrators with respect to accidental injury,
28 specified disease, hospital indemnity, dental, vision, disability
29 income, long-term care, Medicare supplement or other limited
30 benefit health insurance. The board shall determine the savings
31 offset amount in accordance with the following:

32 A. Not later than April of each year, the board shall
33 prospectively determine the savings offset amount to be
34 applied during each 12-month calendar year period;

35 B. To determine the savings offset amount, the board shall
36 use the criteria and reports described in subsections 7 and
37 8;

38 C. The savings offset amount must reflect and may not exceed
39 aggregate measurable cost savings, as determined by the
40 board pursuant to subsection 1; and

41 D. The savings offset amount calculation is limited to the
42 amount of funds necessary to provide subsidies pursuant to
43 section 6912 and to support the Maine Quality Forum
44 established in section 6951 and may not include general
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administrative expenses of Dirigo Health, except for general
administrative expenses of the Maine Quality Forum.

~~The savings offset amount determined by the board in accordance
with this subsection is the determining factor for inclusion of
savings offset payments in premiums through rate setting review
by the bureau.~~

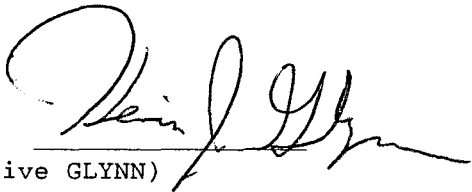
Sec. A-5. 24-A MRSA §6913, sub-§9, as enacted by PL 2003, c.
469, Pt. A, §8, is amended to read:

9. Demonstration of recovery of savings offset payments.
As provided in sections 2736-C, 2808-B and 2839-B, the claims
experience used to determine any filed premiums or rating formula
may not reflect the savings offset payment amount determined in
accordance with subsection 2, but must reasonably reflect, in
accordance with accepted actuarial standards, known changes and
offsets in recovery of savings offset payments by the carrier to
health care providers in this State, including any reduction or
avoidance of bad debt and charity care costs to health care
providers in this State as a result of the operation of Dirigo
Health and any increased enrollment due to an expansion in
MaineCare eligibility occurring after June 30, 2004 as determined
by the board consistent with subsection 1.'

Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
consecutively.

SUMMARY

This amendment prohibits insurance carriers from including
the costs of the savings offset payment used to support the
Dirigo Health Program in health insurance premium rates.

SPONSORED BY: 
(Representative GLYNN)

TOWN: South Portland