

# MAINE STATE LEGISLATURE

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**MA  
R.D.S.**

L.D. 431

Date: 5/21/07

*Majority*

(Filing No. H-285)

**INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
123RD LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 347, L.D. 431, Bill, "An Act To Enable the Dirigo Health Program To Be Self-administered"

Amend the bill in section 11 in §6981 in subsection 9 in paragraph E in the last line (page 9, line 36 in L.D.) by striking out the following: "and"

Amend the bill in section 11 in §6981 in subsection 9 in paragraph F in the last line (page 10, line 2 in L.D.) by striking out the following: "741." and inserting the following: '741.'

Amend the bill in section 11 in §6981 in subsection 9 by inserting after paragraph F the following:

'G. The requirements of the Insurance Information and Privacy Protection Act pursuant to chapter 24; and

H. The provisions of sections 2159-B and 2159-C relating to discrimination against victims of domestic abuse and discrimination on the basis of genetic information or testing.'

**SUMMARY**

This amendment is the majority report of the committee. The amendment clarifies that the Dirigo Health Self-administered Plan must comply with the requirements of the Maine Insurance Code relating to the privacy of insurance information, unfair discrimination against victims of domestic abuse and unfair discrimination on the basis of genetic information or genetic testing in addition to the other requirements included in the bill.

**FISCAL NOTE REQUIRED**  
(See attached)

**COMMITTEE AMENDMENT**



# 123rd MAINE LEGISLATURE

LD 431

LR 356(02)

## An Act To Enable the Dirigo Health Program To Be Self-administered

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

### Fiscal Note

Potential current biennium cost increase - General Fund  
 Potential current biennium revenue decrease - General Fund  
 Potential current biennium savings - Dirigo Health Enterprise Fund  
 Minor cost increase - Other Funds

#### Fiscal Detail and Notes

The bill gives authority to Dirigo Health to provide access to health benefits coverage through a self-administered plan after the Dirigo Health board evaluates bids for self-administered and fully insured benefits coverage. The board's decision to convert to a self-administered plan could result in:

- > The State bearing additional financial liability if the reserve and stop loss insurance provisions required in the bill prove to be inadequate;
- > The General Fund losing insurance premium tax revenue of approximately \$1.8 million to \$2 million per year annualized (based on Dirigo 2008-2009 proposed budget premium assumptions) if a conversion takes place. This loss in revenue may be partially offset by a minor increase (i.e., less than \$50,000) in corporate income tax revenue paid by the 3rd-party administrator Dirigo may use to administer the plan; and
- > Based on estimates from the Dirigo Health Agency, result in net savings to the Dirigo Health program of approximately \$3.9 million per year on an annualized basis primarily from savings in administrative costs, greater plan design flexibility, and not having to pay the insurance premium tax.

The additional costs to the Dirigo Health Program from other changes made in the bill can be absorbed by the program utilizing existing budget resources. The additional costs to the Bureau of Insurance in the Department of Professional and Financial Regulation can be absorbed by the bureau utilizing existing budget resources.