

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)



123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 911

H.P. 686

House of Representatives, March 1, 2007

An Act To Provide Health Care Insurance to Volunteer Public Safety Personnel

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND

Clerk

Presented by Representative BURNS of Berwick.
Cosponsored by Senator STRIMLING of Cumberland and
Representatives: CANAVAN of Waterville, CARTER of Bethel, GROSE of Woolwich,
MARLEY of Portland, RAND of Portland, RINES of Wiscasset, WHEELER of Kittery.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 24-A MRSA §6903, sub-§7**, as enacted by PL 2003, c. 469, Pt. A, §8, is
3 amended to read:

4 **7. Eligible individual.** "Eligible individual" means:

5 A. A self-employed individual who:

6 (1) Works and resides in the State; and

7 (2) Is organized as a sole proprietorship or in any other legally recognized
8 manner in which a self-employed individual may organize, a substantial part of
9 whose income derives from a trade or business through which the individual has
10 attempted to earn taxable income;

11 B. An unemployed individual who resides in this State; ~~or~~

12 C. An individual employed in an eligible business that does not offer health
13 insurance; or

14 D. An individual who acts as a volunteer firefighter or who voluntarily provides
15 emergency services or police services for a county, municipality or other local unit of
16 government and who is not eligible for MaineCare or employer-sponsored health
17 insurance.

18 **Sec. 2. 24-A MRSA §6912**, as amended by PL 2005, c. 400, Pt. A, §§7 to 9, is
19 further amended to read:

20 **§6912. Subsidies**

21 Dirigo Health may establish sliding-scale subsidies for the purchase of Dirigo Health
22 Program coverage paid by eligible individuals or employees whose income is under
23 300% of the federal poverty level. Dirigo Health may also establish sliding-scale
24 subsidies for the purchase of employer-sponsored health coverage paid by employees of
25 businesses with more than 50 employees, whose income is under 300% of the federal
26 poverty level. Dirigo Health shall provide subsidies for the purchase of Dirigo Health
27 Program coverage for eligible individuals pursuant to subsection 4-A.

28 **1. Administration.** Dirigo Health shall, by rule, establish procedures to administer
29 this section.

30 **2. Eligibility for subsidy.** To be eligible for a subsidy an individual or employee
31 must:

32 A. Be enrolled in the Dirigo Health Program, have an income under 300% of the
33 federal poverty level and be a resident of the State; or

34 B. Be enrolled in a health plan of an employer with more than 50 employees and
35 have an income under 300% of the federal poverty level. The health plan must meet
36 any criteria established by Dirigo Health. The individual must meet other eligibility
37 criteria established by Dirigo Health.

1 **3. Limitation of subsidies.** Dirigo Health shall limit the availability of subsidies to
2 reflect limitations of available funds.

3 **4. Limitation on amount subsidized.** Dirigo Health may limit the amount
4 subsidized of the payment made by individual plan enrollees under section 6910,
5 subsection 4, paragraph C to 40% of the payment to more closely parallel the subsidy
6 received by employees except as provided in subsection 4-A. In no case may the subsidy
7 granted to eligible individuals in accordance with subsection 2, paragraph A exceed the
8 maximum subsidy level available to other eligible individuals.

9 **4-A. Subsidy for volunteer firefighters and volunteer emergency services and**
10 **police personnel.** Notwithstanding the income eligibility requirements of subsection 2
11 and the limitation on subsidy amount in subsection 4, Dirigo Health shall provide a
12 subsidy for 100% of the purchase of Dirigo Health Program coverage for individual plan
13 enrollees eligible pursuant to section 6903, subsection 7, paragraph D.

14 **5. Notification of subsidy.** Dirigo Health shall notify applicants and their employers
15 in writing of their eligibility and approved level of subsidy.

16 **6. Report.** Within 30 days after any subsidies are established pursuant to this
17 section, the board shall report on the amount of the subsidies, the funding required for the
18 subsidies and the estimated number of Dirigo Health Program enrollees eligible for the
19 subsidies and submit the report to the joint standing committee of the Legislature having
20 jurisdiction over appropriations and financial affairs, the joint standing committee of the
21 Legislature having jurisdiction over insurance and financial services matters and the joint
22 standing committee of the Legislature having jurisdiction over health and human services
23 matters.

24 **Sec. 3. 24-A MRS §6913, sub-§2,** as amended by PL 2007, c. 1, Pt. XX, §2 and
25 affected by §3, is further amended to read:

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

33 A. Not later than January 1st of each year, the board shall prospectively determine
34 the savings offset amount to be applied during the 12-month period beginning the
35 immediately following July 1st;

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

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

1 D. The savings offset amount calculation is limited to the amount of funds necessary
2 to provide subsidies pursuant to section 6912 and to support the Maine Quality
3 Forum established in section 6951 and may not include general administrative
4 expenses of Dirigo Health, except for general administrative expenses of the Maine
5 Quality Forum; and

6 E. In the event the amount of aggregate measurable cost savings as determined by
7 the board pursuant to subsection 1 exceeds the amount determined by the board to be
8 necessary to provide subsidies as required under section 6912, subsection 4-A, the
9 board may increase the amount of the savings offset, but in no case may the savings
10 offset amount exceed the limits established in subsection 3.

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

14 SUMMARY

15 This bill makes persons who act as volunteer firefighters or volunteer emergency
16 services and police personnel for a county, municipality or local government eligible for
17 health care coverage through the Dirigo Health Program. The bill also requires that the
18 Dirigo Health Program pay a subsidy for 100% of the costs of that coverage. The bill
19 gives authority to the Board of Directors of Dirigo Health to increase the amount of the
20 savings offset payment used to fund subsidies for the program if necessary but prohibits
21 the amount from exceeding 4.0% of annual paid claims.