

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 959

H.P. 719

House of Representatives, March 1, 2007

An Act To Require Insurers To Use Savings from Dirigo Health To Reduce Premiums

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative HOLMAN of Fayette.
Cosponsored by Senator NUTTING of Androscoggin and
Representatives: NASS of Acton, RECTOR of Thomaston, Senator: RAYE of Washington.

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

2 **Sec. 1. 24-A MRSA §6913, sub-§2, ¶C**, as enacted by PL 2005, c. 400, Pt. A,
3 §11, is amended to read:

4 C. The savings offset amount must reflect and may not exceed 75% of the aggregate
5 measurable cost savings, as determined by the board pursuant to subsection 1; and

6 **Sec. 2. 24-A MRSA §6913, sub-§7**, as enacted by PL 2003, c. 469, Pt. A, §8, is
7 amended to read:

8 **7. Demonstration of recovery of cost savings and savings offset payments**
9 **through reduction in rate of growth in State's health spending and bad debt and**
10 **charity care.** In accordance with the requirements of this subsection, every health
11 insurance carrier and health care provider shall demonstrate that best efforts have been
12 made to ensure that a carrier has recovered ~~savings offset payments made~~ all of the cost
13 savings determined by the board pursuant to this section subsection 1, including savings
14 offset payments, through negotiated reimbursement rates that reflect health care
15 providers' reductions or stabilization in the cost of bad debt and charity care as a result of
16 the operation of Dirigo Health and any increased enrollment due to an expansion in
17 MaineCare eligibility occurring after June 30, 2004.

18 A. A health insurance carrier shall use best efforts to ensure health insurance
19 premiums reflect any such recovery of cost savings and savings offset payments as
20 those cost savings and savings offset payments are reflected through incurred claims
21 experience in accordance with subsection 9.

22 B. During any negotiation with a health insurance carrier relating to a health care
23 provider's reimbursement agreement with that carrier, a health care provider shall
24 provide data relating to any reduction or avoidance of bad debt and charity care costs
25 to health care providers in this State, as a result of the operation of Dirigo Health and
26 as a result of any increased enrollment due to an expansion in MaineCare eligibility
27 occurring after June 30, 2004.

28 **Sec. 3. 24-A MRSA §6913, sub-§8, ¶C**, as enacted by PL 2003, c. 469, Pt. A,
29 §8, is amended to read:

30 C. Health insurance carriers and health care providers shall report annually,
31 beginning March 1, 2005 and thereafter, information regarding the experience of a
32 prior 12-month period on the efforts undertaken by the carrier and provider to recover
33 cost savings determined by the board pursuant to subsection 1, including any savings
34 offset payments, as reflected in reimbursement rates, through a reduction or
35 stabilization in bad debt and charity care costs as a result of the operation of Dirigo
36 Health and any increased enrollment due to an expansion in MaineCare eligibility
37 occurring after June 30, 2004. The board shall determine the appropriate format for
38 the report and utilize existing data on file with state agencies or other organizations to
39 minimize duplication. The report must be submitted to the board. Using the
40 information submitted by carriers and providers, the board shall submit a summary of
41 that information by October 1, 2005 and annually thereafter.

