

MAINE STATE LEGISLATURE

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Minority
INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 765, L.D. 1047, Bill, "An Act To Lower the Cost of Health Insurance"

Amend the bill in Part A in section 6 in paragraph G in the first line (page 1, line 21 in L.D.) by striking out the following: "2008" and inserting the following: '2009'

Amend the bill in Part A in section 6 in paragraph G in the 2nd line (page 1, line 22 in L.D.) by striking out the following: "2008" and inserting the following: '2009'

Amend the bill in Part A in section 6 in paragraph G in the last line (page 1, line 24 in L.D.) by striking out the following: "2008" and inserting the following: '2009'

Amend the bill in Part A in section 13 in paragraph A in subparagraph (11) in the first line (page 3, line 30 in L.D.) by striking out the following: "health insurance risk" and inserting the following: 'chronic care'

Amend the bill in Part A by striking out all of section 14 and inserting the following:

'Sec. A-14. 24-A MRSA §2849-B, sub-§2, ¶A, as amended by PL 2007, c. 199, Pt. D, §4, is further amended to read:

A. That person was covered under ~~an individual~~, a group or blanket contract or policy issued by a nonprofit hospital or medical service organization, insurer, or health maintenance organization or was covered under an uninsured employee benefit plan that provides payment for health services received by employees and their dependents or a governmental program, including, but not limited to, those listed in section 2848, subsection 1-B, paragraph A, subparagraphs (3) to ~~(10)~~ (11). For purposes of this section, the individual, group or blanket policy under which the person is seeking coverage is the "succeeding policy." The group, or blanket or ~~individual~~ contract or policy, uninsured employee benefit plan or governmental program that previously covered the person is the "prior contract or policy"; and'

Amend the bill in Part A in section 15 in chapter 54 in the 2nd line (page 4, line 5 in L.D.) by striking out the following: "HEALTH INSURANCE RISK" and inserting the following: 'CHRONIC CARE'

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 765, L.D. 1047

- 1 Amend the bill in Part A in section 15 in §3901 in the first paragraph in the first line
2 (page 4, line 7 in L.D.) by striking out the following: "Health Insurance Risk" and
3 inserting the following: 'Chronic Care'
- 4 Amend the bill in Part A in section 15 in §3902 in subsection 1 in the first line (page
5 4, line 12 in L.D.) by striking out the following: "Health Insurance Risk" and inserting
6 the following: 'Chronic Care'
- 7 Amend the bill in Part A in section 15 in §3902 in subsection 11 in paragraph B in
8 the 2nd line (page 5, line 30 in L.D.) by striking out the following: "risk" and inserting
9 the following: 'chronic care'
- 10 Amend the bill in Part A in section 15 in §3903 in the first line (page 6, line 1 in
11 L.D.) by striking out the following: "Health Insurance Risk" and inserting the
12 following: 'Chronic Care'
- 13 Amend the bill in Part A in section 15 in §3903 by striking out all of subsection 1
14 (page 6, lines 2 to 5 in L.D.) and inserting the following:
- 15 '1. Chronic care pool established. The Comprehensive Chronic Care Pool
16 Association is established as a nonprofit legal entity. As a condition of doing business,
17 an insurer that has sold medical insurance within the previous 12 months or is actively
18 marketing a medical insurance policy in this State must participate in the association.'
- 19 Amend the bill in Part A in section 15 in §3908 in the first paragraph in the 2nd line
20 (page 11, line 29 in L.D.) by striking out the following: "2007" and inserting the
21 following: '2008'
- 22 Amend the bill in Part A in section 15 in §3908 in the first paragraph in the 3rd line
23 (page 11, line 30 in L.D.) by striking out the following: "2008" and inserting the
24 following: '2009'
- 25 Amend the bill in Part A in section 15 in §3912 in subsection 1 in the 3rd line (page
26 14, line 31 in L.D.) by striking out the following: "2008" and inserting the following:
27 '2009'
- 28 Amend the bill in Part A in section 15 in §3912 in subsection 1 in paragraph A in the
29 2nd line (page 14, line 35 in L.D.) by striking out the following: "2008" and inserting the
30 following: '2009'
- 31 Amend the bill in Part A in section 15 in §3912 in subsection 1 in paragraph A in the
32 last line (page 14, line 38 in L.D.) by striking out the following: "2008" and inserting the
33 following: '2009'
- 34 Amend the bill in Part A in section 15 in §3912 in subsection 3 in the first line (page
35 15, line 14 in L.D.) by striking out the following: "2012" and inserting the following:
36 '2013'
- 37 Amend the bill in Part A in section 16 in the next to the last line (page 15, line 19 in
38 L.D.) by striking out the following: "Health Insurance Risk" and inserting the following:
39 'Chronic Care'
- 40 Amend the bill in Part A by striking out all section 17 and inserting the following:

COMMITTEE AMENDMENT "A" to H.P. 765, L.D. 1047

1 1, 2009. The joint standing committee of the Legislature having jurisdiction over health
 2 insurance matters may submit legislation implementing the recommendations in the
 3 report to the First Regular Session of the 124th Legislature.

4 **PART G**

5 **Sec. G-1. Appropriations and allocations.** The following appropriations and
 6 allocations are made.

7 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

8 **Office of Licensing and Regulatory Services Z036**

9 Initiative: Deallocates funds and eliminates 2 positions responsible for administering the
 10 certificate of need provisions. The elimination of the certificate of need provisions will
 11 also result in a reduction in Other Special Revenue Funds revenue of approximately
 12 \$198,000 per year.

13	OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
14	POSITIONS - LEGISLATIVE COUNT	0.000	(2.000)
15	Personal Services	\$0	(\$156,909)
16	All Other	\$0	(\$20,000)
17			
18	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	(\$176,909)

19 **HEALTH AND HUMAN SERVICES,**
 20 **DEPARTMENT OF (FORMERLY DHS)**
 21 **DEPARTMENT TOTALS**

21		2007-08	2008-09
22			
23	OTHER SPECIAL REVENUE FUNDS	\$0	(\$176,909)
24			
25	DEPARTMENT TOTAL - ALL FUNDS	\$0	(\$176,909)

26 **PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

27 **Insurance - Bureau of 0092**

28 Initiative: Deallocates funds and eliminates one half-time Insurance Actuarial Assistant
 29 position and related costs effective July 1, 2008, which are no longer necessary as a result
 30 of repealing the certificate of need provisions.

31	OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
32	POSITIONS - LEGISLATIVE COUNT	0.000	(0.500)
33	Personal Services	\$0	(\$42,070)

COMMITTEE AMENDMENT "A" to H.P. 765, L.D. 1047

1	All Other	\$0	(\$3,500)
2			
3	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>(\$45,570)</u>

4 **Insurance - Bureau of 0092**

5 Initiative: Allocates funds on a one-time basis for the costs of contracting with another
6 entity to prepare a grant application.

7	OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
8	All Other	\$0	\$15,000
9			
10	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$15,000</u>

11	PROFESSIONAL AND FINANCIAL		
12	REGULATION, DEPARTMENT OF		
13	DEPARTMENT TOTALS	2007-08	2008-09
14			
15	OTHER SPECIAL REVENUE FUNDS	\$0	(\$30,570)
16			
17	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>(\$30,570)</u>

18	SECTION TOTALS	2007-08	2008-09
19			
20	OTHER SPECIAL REVENUE FUNDS	\$0	(\$207,479)
21			
22	SECTION TOTAL - ALL FUNDS	<u>\$0</u>	<u>(\$207,479)</u>

24 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
25 section number to read consecutively.

26 **SUMMARY**

27 This amendment is the minority report of the committee. The amendment changes
28 the name of the Comprehensive Health Insurance Risk Pool Association to the
29 Comprehensive Chronic Care Pool Association. The amendment adds a requirement that
30 the Comprehensive Chronic Care Pool Association established in the bill conduct a study
31 of the possibility of offering a reinsurance pool for the small group health insurance
32 market, including a comparison of the feasibility and costs of a reinsurance pool for small
33 groups of 50 or fewer members and a reinsurance pool for small groups of 10 or fewer
34 members. The report must be submitted to the joint standing committee of the

COMMITTEE AMENDMENT

R.O.S.

COMMITTEE AMENDMENT "A" to H.P. 765, L.D. 1047

1 Legislature having jurisdiction over health insurance matters by March 1, 2009, and
2 legislation to implement the recommendations in the report may be submitted by the joint
3 standing committee to the First Regular Session of the 124th Legislature.

4 The amendment also changes dates in the bill to reflect the timeline based on
5 enactment of the bill during the second regular session.

6 This amendment also adds an appropriations and allocations section to the bill.

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



123rd MAINE LEGISLATURE

LD 1047

LR 677(02)

An Act To Lower the Cost of Health Insurance

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

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Future biennium cost increase - General Fund

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Appropriations/Allocations				
Other Special Revenue Funds	\$0	(\$207,479)	(\$229,500)	(\$236,790)
Revenue				
Other Special Revenue Funds	\$0	(\$198,000)	(\$198,000)	(\$198,000)

Fiscal Detail and Notes

The bill's elimination of the certificate of need program could result in increased costs to the MaineCare program as a result of increased provider service capacity.

Includes a deallocation of funds and eliminates two positions in the Office of Licensing and Regulatory Services in the Department of Health and Human Services responsible for administering the certificate of need (CON) provisions. The elimination of the certificate of need provisions will also result in a reduction in Other Special Revenue Funds revenue of approximately \$198,000 per year.

Also includes a deallocation of funds and eliminates one half-time Insurance Actuarial Assistant position and related costs in the Bureau of Insurance no longer necessary as a result of repealing the certificate of need provisions. Provides an allocation of funds to the Bureau of Insurance on a one-time basis for the costs of contracting with another entity to prepare a grant application.