

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1715

H.P. 1198

House of Representatives, March 23, 2007

An Act To Reduce the Cost of Health Insurance

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND

Clerk

Presented by Representative McKANE of Newcastle.
Cosponsored by Representative SAVIELLO of Wilton, Senator SNOWE-MELLO of Androscoggin and Representatives: RICHARDSON of Warren, SAVAGE of Falmouth, WALKER of Lincolnville, Senator: MARRACHÉ of Kennebec.

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

2 **Sec. 1. 24-A MRSA §2736-C, sub-§10** is enacted to read:

3 **10. Options included in all health coverage plans.** All carriers offering individual
4 health plans in this State shall offer, when offering and when renewing a health plan,
5 alternative coverage under a catastrophic plan defined in rules adopted by the
6 superintendent. Notwithstanding this subsection and any other provision of this Title, the
7 catastrophic plan is not subject to the requirements of guaranteed issue, community
8 rating, mandated health benefits and access standards for individual health plans. The
9 superintendent shall adopt rules to further define the catastrophic plan that must be
10 offered pursuant to this subsection. Rules adopted pursuant to this subsection are routine
11 technical rules as defined in Title 5, chapter 375, subchapter 2-A. To the extent allowed
12 by federal and state law, a carrier may offer health savings accounts in conjunction with a
13 catastrophic plan.

14 **Sec. 2. 24-A MRSA §2808-B, sub-§10** is enacted to read:

15 **10. Options included in all health coverage plans.** All carriers offering small
16 group health plans in this State shall offer, when offering and when renewing a health
17 plan, alternative coverage under a catastrophic plan defined in rules adopted by the
18 superintendent. Notwithstanding this subsection and any other provision of this Title, the
19 catastrophic plan is not subject to the requirements of guaranteed issue, community
20 rating, mandated health benefits and access standards for small group health plans. The
21 superintendent shall adopt rules to further define the catastrophic plan that must be
22 offered pursuant to this subsection. Rules adopted pursuant to this subsection are routine
23 technical rules as defined in Title 5, chapter 375, subchapter 2-A. To the extent allowed
24 by federal and state law, a carrier may offer health savings accounts in conjunction with a
25 catastrophic plan.

26 **Sec. 3. 24-A MRSA §2839-C** is enacted to read:

27 **§2839-C. Optional catastrophic health coverage plan**

28 An insurer offering group health insurance in this State shall offer, when offering and
29 when renewing a health insurance policy, alternative coverage under a catastrophic plan
30 defined in rules adopted by the superintendent. Notwithstanding this section and any
31 other provision of this Title, the catastrophic plan is not subject to the requirements of
32 mandated health benefits and access standards applicable to group health insurance. The
33 superintendent shall adopt rules to further define the catastrophic plan that must be
34 offered pursuant to this section. Rules adopted pursuant to this section are routine
35 technical rules as defined in Title 5, chapter 375, subchapter 2-A. To the extent allowed
36 by federal and state law, a carrier may offer health savings accounts in conjunction with a
37 catastrophic plan.

38 **Sec. 4. 24-A MRSA §4222-B, sub-§22** is enacted to read:

1 **22.** Section 2736-C, subsection 10, section 2808-B, subsection 10 and section
2 2839-C, relating to an optional catastrophic health coverage plan, apply to health
3 maintenance organizations.

4

SUMMARY

5 The bill requires health insurers to offer for sale qualified high-deductible health
6 plans that may be used in conjunction with a health savings account. The bill exempts
7 these health plans from the community rating, guaranteed issuance and mandated benefit
8 requirements otherwise applicable to certain individual and group health plans.