MAINE STATE LEGISLATURE

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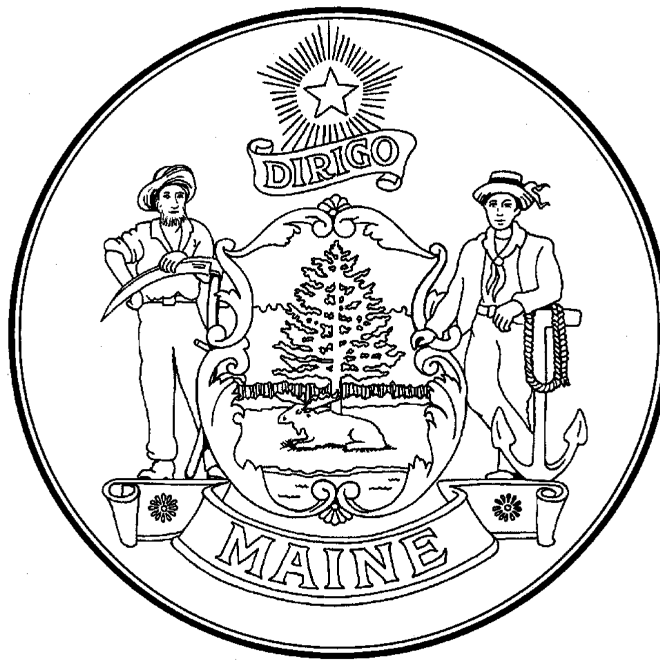

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document	**No. 1742**
S.P. 609	March 27, 2007

An Act To Permit Greater Flexibility in the Design of Affordable Health Insurance

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

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MILLS of Somerset.

Printed on recycled paper

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

Sec. 1. 24-A MRSA §2736-C, sub-§2, ¶D, as amended by PL 2001, c. 410, Pt. A, §2 and affected by §10, is further amended to read:

D. A carrier may vary the premium rate due to age, occupation or industry and geographic area only under the following schedule and within the listed percentage bands.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between December 1, 1993 and July 14, 1994, the premium rate may not deviate above or below the community rate filed by the carrier by more than 50%.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1994 and July 14, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 33%.

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State after July 15, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 20%.

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State after January 1, 2008, the premium rate may not deviate above or below the community rate filed by the carrier by more than 40%.

Sec. 2. 24-A MRSA §2736-C, sub-§6, ¶A, as amended by PL 1995, c. 332, Pt. K, §1, is further amended to read:

A. Each carrier must actively market individual health plan coverage, including individual health plan coverage with preferred provider plan options and any standardized plans defined pursuant to subsection 8, to individuals in this State.

Sec. 3. 24-A MRSA §2808-B, sub-§2, ¶D, as amended by PL 2001, c. 410, Pt. A, §4 and affected by §10, is further amended to read:

D. A carrier may vary the premium rate due to age, occupation or industry and geographic area only under the following schedule and within the listed percentage bands.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1993 and July 14, 1994, the premium rate may not deviate above or below the community rate filed by the carrier by more than 50%.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1994 and July 14, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 33%.

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State after July 15, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 20%~~, except as provided in paragraph D-1~~.

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State after January 1, 2008, the premium rate may not deviate above or below the community rate filed by the carrier by more than 40%.

Sec. 4. 24-A MRSA §2808-B, sub-§2, ¶D-1, as amended by PL 2001, c. 410, Pt. A, §5 and affected by §10, is repealed.

Sec. 5. 24-A MRSA §2850-B, sub-§3, ¶G, as amended by PL 2003, c. 428, Pt. A, §1, is further amended to read:

G. When the carrier ceases offering a product and meets the following requirements:

(1) In the large group market:

(a) The carrier must provide notice to the policyholder and to the insureds at least 90 days before termination;

(b) The carrier must offer to each policyholder the option to purchase any other product currently being offered in the large group market; and

(c) In exercising the option to discontinue the product and in offering the option of coverage under division (b), the carrier must act uniformly without regard to the claims experience of the policyholders or the health status of the insureds or prospective insureds;

(2) In the small group market:

(a) The carrier shall replace the product with a product that complies with the requirements of this section, including renewability, and with section 2808-B;

~~(b) The superintendent shall find that the replacement is in the best interests of the policyholders; and~~

(c) The carrier shall provide notice to the policyholder and to the insureds at least 90 days before replacement; ~~or~~ and

(d) In exercising the option to replace the product, the carrier must act uniformly with regard to the insureds or prospective insureds of the same product; or

(3) In the individual market:

(a) The carrier shall replace the product with a product that complies with the requirements of this section, including renewability, and with section 2736-C;

~~(b) The superintendent shall find that the replacement is in the best interests of the policyholders; and~~

(c) The carrier shall provide notice to the policyholder and, if a group policy, to the insureds at least 90 days before replacement; and

(d) In exercising the option to replace the product, the carrier must act uniformly with regard to the insureds or prospective insureds of the same product;

Sec. 6. 24-A MRSA §4202-A, sub-§1, as amended by PL 2001, c. 218, §1, is further amended to read:

1. Basic health care services. "Basic health care services" means health care services that an enrolled population might reasonably require in order to be maintained in good health and includes, at a minimum, emergency care, inpatient hospital care, inpatient physician services, outpatient physician services, ancillary services such as x-ray services and laboratory services and all benefits mandated by statute and mandated by rule applicable to health maintenance organizations. The superintendent may adopt rules defining "basic health care services" to be provided by health maintenance organizations. In adopting such rules, the superintendent shall consider the coverages that have traditionally been provided by health maintenance organizations; the current conditions of the marketplace; the need for flexibility in the marketplace; and the importance of providing multiple options to employers and consumers. The superintendent may not require that all health benefit plans offered by health maintenance organizations meet or exceed each of the particular requirements of standard or basic health plans specified in Bureau of Insurance Rule, Chapter 750. The superintendent may select required services from among those set forth in Bureau of Insurance Rule, Chapter 750 and shall permit reasonable, but not excessive or unfairly discriminatory, variations in the copayment, coinsurance, deductible and other features of such coverage, except that these features must meet or exceed those required in benefits mandated by statute. At least once every 3 years, the bureau shall review the rules adopted pursuant to this subsection and amend the rules to reflect the current conditions in the marketplace. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter ~~II-A~~ 2-A.

Sec. 7. 24-A MRSA §4203, sub-§3, ¶S, as amended by PL 2003, c. 469, Pt. E, §18, is further amended to read:

S. A list of the names and addresses of all physicians and facilities with which the health maintenance organization has or will have agreements. If products are offered that pay full benefits only when providers within a subset of the contracted physicians or facilities are utilized, a list of the providers in that limited network must be included, as well as a list of the geographic areas where the products are offered. ~~This paragraph may not be construed to prohibit a health maintenance organization from offering a health plan that includes financial provisions designed to encourage members to use designated providers in a network in accordance with section 4303, subsection 1, paragraph A.~~

Sec. 8. 24-A MRSA §4204, sub-§2-A, ¶L, as repealed and replaced by PL 1995, c. 673, Pt. D, §3, is repealed.

Sec. 9. 24-A MRSA §4303, sub-§1, as amended by PL 2003, c. 469, Pt. E, §20 and c. 689, Pt. B, §6, is repealed.

Sec. 10. Bureau of Insurance rulemaking. By January 1, 2008, the Bureau of Insurance shall provisionally adopt amendments to Bureau of Insurance Rule, Chapter 750 to reflect current market conditions in accordance with the Maine Revised Statutes, Title 24-A, section 4202-A, subsection 1. The bureau shall present the provisionally adopted rule to the Legislature for review pursuant to Title 5, chapter 375, subchapter 2-A during the Second Regular Session of the 123rd Legislature.

SUMMARY

This bill makes the following changes to the laws governing health insurance.

1. It expands the community rating bands from 20% to 40% for premium rates filed with the Superintendent of Insurance on or after January 1, 2008.

2. It requires that the Bureau of Insurance revise Bureau of Insurance Rule, Chapter 750 defining minimum standards for mandated health plan offerings to reflect current market conditions and requires that the bureau review the rule and adopt changes to reflect market conditions at least once every 3 years.

3. It requires carriers that offer individual health plans to offer individual health plans utilizing preferred provider arrangements.

4. It changes the standard of review of benefit changes in individual health plans to be consistent with the standard of review for group health plans.

5. It repeals the requirement that all health plans meet certain access standards.