

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 392

S.P. 134

In Senate, February 5, 2009

**An Act To Reduce Minimum Participation to 60% for Group
Health Insurance**

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator PLOWMAN of Penobscot.
Cosponsored by Senators: BOWMAN of York, McCORMICK of Kennebec, RAYE of
Washington, Representatives: BICKFORD of Auburn, FOSSEL of Alna, WEAVER of York.

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

2 **Sec. 1. 24-A MRSA §2808-B, sub-§4, ¶A,** as corrected by RR 2001, c. 1, §32, is
3 amended to read:

4 A. Any small group health plan offered to any eligible group or subgroup must be
5 offered to all eligible groups that meet the carrier's minimum participation
6 requirements, which may not exceed 75% 60%, to all eligible employees and their
7 dependents in those groups. In determining compliance with minimum participation
8 requirements, eligible employees and their dependents who have existing health care
9 coverage may not be considered in the calculation. If an employee declines coverage
10 because the employee has other coverage, any dependents of that employee who are
11 not eligible under the employee's other coverage are eligible for coverage under the
12 small group health plan. A carrier may deny coverage under a managed care plan, as
13 defined by section 4301-A:

14 (1) To employers who have no employees who live, reside or work within the
15 approved service area of the plan; and

16 (2) To employers if the carrier has demonstrated to the superintendent's
17 satisfaction that:

18 (a) The carrier does not have the capacity to deliver services adequately to
19 additional enrollees within all or a designated part of its service area because
20 of its obligations to existing enrollees; and

21 (b) The carrier is applying this provision uniformly to individuals and groups
22 without regard to any health-related factor.

23 A carrier that denies coverage in accordance with this subparagraph may not
24 enroll individuals residing within the area subject to denial of coverage, or groups
25 or subgroups within that area for a period of 180 days after the date of the first
26 denial of coverage.

27 **SUMMARY**

28 Under current law, a carrier's minimum participation requirements for a small group
29 health plan may not exceed 75%. This bill reduces the minimum participation
30 requirement to 60%.