

MAINE STATE LEGISLATURE

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BMC
R. 03.

INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
SENATE
125TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 261, L.D. 857, Bill, "An Act To Include Teachers in the State Employee Health Insurance Program"

Amend the bill by striking out the title and substituting the following:

'Resolve, To Study the Feasibility of Consolidating Health Plan Coverage for State Employees with Other Public Employees'

Amend the bill by striking out everything after the title and before the summary and inserting the following:

'Sec. 1. Study of consolidated health plan; working group convened. Resolved: That, in accordance with this section, the State Employee Health Commission, referred to in this section as "the commission," shall convene a working group to study the feasibility of consolidating health plan coverage for state and public employees and retirees to leverage collective purchasing power in order to advance delivery and payment system reform to improve population health, enhance patient experience with the health care system and reduce per capita health care costs.

1. The commission shall invite the participation of the following stakeholders as members of the working group: representatives of the University of Maine System, the Maine Education Association Benefits Trust, the Maine Municipal Employees Health Trust, the Maine School Management Association, labor unions, the Maine Health Management Coalition and the Department of Professional and Financial Regulation, Bureau of Insurance.

2. The working group shall examine the feasibility of consolidating health plan coverage for state employees and retirees with health plan coverage for other public employees and retirees, including, but not limited to, municipal employees and retirees, public school employees and retirees and University of Maine System employees and retirees. In conducting the study, the working group shall:

A. Study consolidated plans in other jurisdictions, such as the California Public Employees' Retirement System, the Washington State Health Care Authority and the Missouri Consolidated Health Care Plan;

COMMITTEE AMENDMENT

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- 1 B. Identify federal and state regulatory issues and potential barriers associated with
- 2 merging multiple-employer welfare arrangements, Taft-Hartley health trust plans and
- 3 single-employer plans;
- 4 C. Conduct an actuarial analysis of the potential risk pool;
- 5 D. Identify the reserves needed to self-fund a consolidated health plan;
- 6 E. Recommend a model for the structure and governance of a consolidated health
- 7 plan;
- 8 F. Identify the resources required to administer a consolidated health plan, including
- 9 actuarial, legal, medical director, finance, research and analysis services; and
- 10 G. Recommend a source or sources of ongoing funding for administration of a
- 11 consolidated health plan.

12 3. To assist the working group, the commission may contract with consultants for
13 health data collection and analysis, actuarial, legal and other consulting services.

14 4. The commission shall submit a report on the working group's study, including the
15 working group's recommendations and any suggested legislation, to the Joint Standing
16 Committee on Appropriations and Financial Affairs and the Joint Standing Committee on
17 Insurance and Financial Services no later than December 7, 2011. The joint standing
18 committees may report out a bill based on the report to the Second Regular Session of the
19 125th Legislature; and be it further

20 **Sec. 2. Appropriations and allocations. Resolved:** That the following
21 appropriations and allocations are made.

22 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

23 **Accident - Sickness - Health Insurance 0455**

24 Initiative: Appropriates funds on a one-time basis for the actuarial analysis and other
25 costs to the State Employee Health Commission to study the feasibility of consolidating
26 health plan coverage for state employees and other public employees.

27	GENERAL FUND	2011-12	2012-13
28	All Other	\$315,800	\$0
29			
30	GENERAL FUND TOTAL	<u>\$315,800</u>	<u>\$0</u>
31			

32 **SUMMARY**

33 This amendment is the majority report of the committee and replaces the bill with a
34 resolve requiring the State Employee Health Commission to convene a working group to
35 study the feasibility of consolidating health plan coverage for state employees and retirees
36 with health plan coverage for other public employees and retirees.

37

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COMMITTEE AMENDMENT "A" to S.P. 261, L.D. 857

1 The amendment also adds an appropriation section to provide the funds for the
2 actuarial analysis and other costs of the study.

3

FISCAL NOTE REQUIRED

4

(See attached)



125th MAINE LEGISLATURE

LD 857

LR 1622(02)

An Act To Include Teachers in the State Employee Health Insurance Program

Fiscal Note for Bill as Amended by Committee Amendment "A" S-258

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$315,800	\$0	\$0	\$0
Appropriations/Allocations				
General Fund	\$315,800	\$0	\$0	\$0

Fiscal Detail and Notes

Provides a one-time appropriation of \$315,800 in 2011-12 to the Accident-Sickness-Health Insurance program in the Department of Administrative and Financial Services for the costs of the required actuarial analysis and other costs to the State Employee Health Commission to study the feasibility of consolidating health plan coverage for state employees and other public employees. Additional costs to the University of Maine System to participate in the study can be absorbed within existing budgeted resources.