

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 1200

H.P. 891

House of Representatives, March 21, 2011

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**An Act To Authorize the Health Care Choice Compact To Permit  
the Purchase of Health Insurance from New Hampshire**

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

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Clerk

Presented by Representative McKANE of Newcastle.  
Cosponsored by Senator SNOWE-MELLO of Androscoggin and  
Representatives: FITZPATRICK of Houlton, KNAPP of Gorham, MORISSETTE of Winslow,  
PICCHIOTTI of Fairfield, RICHARDSON of Warren, Senator: WHITEMORE of Somerset.

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

2       **Sec. 1. 24-A MRSA §405, sub-§6**, as enacted by PL 1969, c. 132, §1, is amended  
3 to read:

4       **6.** Any suit or action by the duly constituted receiver, rehabilitator or liquidator of  
5 the insurer, or of the insurer's assignee or successor, under laws similar to those contained  
6 in chapter 57 (~~delinquency proceedings; rehabilitation and liquidation~~); or

7       **Sec. 2. 24-A MRSA §405, sub-§7** is enacted to read:

8       **7.** Transactions pursuant to individual health insurance covering residents of this  
9 State written by a New Hampshire insurer or health maintenance organization pursuant to  
10 the Health Care Choice Compact established in section 405-A if the superintendent  
11 certifies that the New Hampshire insurer or health maintenance organization meets the  
12 requirements of section 405-A.

13       **Sec. 3. 24-A MRSA §405-A** is enacted to read:

14       **§405-A. Health Care Choice Compact for individual health insurance**

15       **1. Health Care Choice Compact established.** Pursuant to the federal Patient  
16 Protection and Affordable Care Act, Public Law 111-148, Section 1333, the State is  
17 authorized to join with New Hampshire to establish the Health Care Choice Compact to  
18 permit the sale of individual health insurance in this State by a New Hampshire insurer or  
19 health maintenance organization in accordance with the requirements of this section. As  
20 used in this section, "New Hampshire insurer or health maintenance organization" means  
21 an insurer or health maintenance organization that holds a valid certificate of authority to  
22 transact individual health insurance in New Hampshire.

23       **2. Certification of New Hampshire insurers or health maintenance**  
24 **organizations.** A New Hampshire insurer or health maintenance organization may not  
25 transact individual health insurance in this State by mail, the Internet or otherwise unless  
26 the superintendent has issued a certification that the New Hampshire insurer or health  
27 maintenance organization has met the requirements of this subsection. The superintendent  
28 shall issue a certification or deny certification within 30 days of a request.

29       **A.** A policy, contract or certificate of individual health insurance offered for sale in  
30 this State by a New Hampshire insurer or health maintenance organization must  
31 comply with the applicable individual health insurance laws in New Hampshire and  
32 must be actively marketed in that state.

33       **B.** A New Hampshire insurer or health maintenance organization shall meet the  
34 requirements of section 4302 for reporting plan information with respect to individual  
35 health plans offered for sale in this State and disclose to prospective enrollees how  
36 the health plans differ from individual health plans offered by domestic insurers in a  
37 format approved by the superintendent within 90 days of the effective date of this  
38 section. Health plan policies and applications for coverage must contain the following  
39 disclosure statement or a substantially similar statement: "This policy is issued by a

1       New Hampshire insurer or health maintenance organization and is governed by the  
2       laws and rules of (New Hampshire insurer's or health maintenance organization's  
3       state of domicile). This policy may not be subject to all the insurance laws and rules  
4       of the State of Maine, including coverage of certain health care services or benefits  
5       mandated by Maine law. Before purchasing this policy, you should carefully review  
6       the terms and conditions of coverage under this policy, including any exclusions or  
7       limitations of coverage."

8       C. A New Hampshire insurer or health maintenance organization shall meet the  
9       requirements of section 4303, subsection 4 for grievance procedures with respect to  
10       health plans offered for sale in this State.

11       D. A New Hampshire insurer or health maintenance organization shall meet the  
12       requirements of chapter 56-A for provider network adequacy with respect to health  
13       plans offered for sale in this State.

14       E. A New Hampshire insurer or health maintenance organization shall meet the  
15       requirements of chapter 27 with respect to rates for individual health plans offered for  
16       sale in this State.

17       F. A New Hampshire insurer or health maintenance organization shall designate an  
18       agent for receiving service of legal documents and process in the manner provided in  
19       this title.

20       G. A New Hampshire insurer or health maintenance organization shall meet the  
21       requirements of this Title with respect to allowing the superintendent access to  
22       records of the New Hampshire insurer or health maintenance organization.

23       **3. Unfair trade practices.** The provisions of chapter 23 apply to a New Hampshire  
24       insurer or health maintenance organization permitted to transact individual health  
25       insurance under this section or section 405.

26       **4. Compliance with court orders.** A New Hampshire insurer or health maintenance  
27       organization shall comply with lawful orders from courts of competent jurisdiction issued  
28       in a voluntary dissolution proceeding or in response to a petition for an injunction by the  
29       superintendent asserting that the New Hampshire insurer or health maintenance  
30       organization is in a hazardous financial condition.

31       **5. Exemption from other requirements.** Except as expressly provided in this  
32       section, the requirements of this Title do not apply to a New Hampshire insurer or health  
33       maintenance organization permitted to transact individual health insurance under this  
34       section.

35       **6. Effective date.** The Health Care Choice Compact under subsection 1 becomes  
36       effective and binding upon the approval of the Secretary of the United States Department  
37       of Health and Human Services after legislative enactment by this State and New  
38       Hampshire except that an individual health insurance policy, contract or certificate may  
39       not be offered for sale in this State pursuant to this section before January 1, 2016.

1

## SUMMARY

2        This bill authorizes the Health Care Choice Compact with New Hampshire pursuant  
3 to the federal Patient Protection and Affordable Care Act to allow insurers and health  
4 maintenance organizations authorized to transact individual health insurance in New  
5 Hampshire to offer their individual health plans for sale in this State. The bill requires  
6 New Hampshire insurers and health maintenance organizations to meet certain  
7 requirements of Maine law, including requirements for rating, provider network  
8 adequacy, disclosure, reporting and grievance procedures. The bill provides that the  
9 Health Care Choice Compact becomes effective and binding upon the approval of the  
10 Secretary of the United States Department of Health and Human Services after legislative  
11 enactment in New Hampshire and this State except that individual health insurance  
12 policies, contracts and certificates may not be offered for sale pursuant to the compact  
13 before January 1, 2016.