

# MAINE STATE LEGISLATURE

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L.D. 1333

Date: 5-11-11

(Filing No. S-96)

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**STATE OF MAINE**  
**SENATE**  
**125TH LEGISLATURE**  
**FIRST REGULAR SESSION**

SENATE AMENDMENT "H" to COMMITTEE AMENDMENT "A" to H.P. 979,  
L.D. 1333, Bill, "An Act To Modify Rating Practices for Individual and Small Group  
Health Plans and To Encourage Value-based Purchasing of Health Care Services"

Amend the amendment in Part A in section 1 by striking out all of paragraph C (page  
1, lines 17 to 21 in amendment) and inserting the following:

~~'C. A carrier may vary the premium rate due to smoking status and family  
membership. The superintendent may adopt rules setting forth appropriate  
methodologies regarding rate discounts based on smoking status. Rules adopted  
pursuant to this paragraph are routine technical rules as defined in Title 5, chapter  
375, subchapter H-A.'~~

Amend the amendment in Part A by inserting after section 1 the following:

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

C-1. A carrier may vary the premium rate due to geographic area in accordance with  
the limitation set out in this paragraph. For all policies, contracts or certificates that  
are executed, delivered, issued for delivery, continued or renewed in this State on or  
after July 1, 2012, the rating factor used by a carrier for geographic area may not  
exceed 1.5.'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (6) in  
the 4th line (page 2, line 37 in amendment) by inserting after the following: "1" the  
following: 'to the extent permitted by the federal Affordable Care Act'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (7) in  
the 4th line (page 2, line 42 in amendment) by inserting after the following: "1" the  
following: 'to the extent permitted by the federal Affordable Care Act'

Amend the amendment in Part A in section 4 in paragraph I in the 6th line (page 3,  
line 13 in amendment) by inserting after the following: "paragraph" the following: 'and  
paragraphs C and C-1'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (4) in  
the 4th line (page 3, line 32 in amendment) by inserting after the following: "1" the  
following: 'to the extent permitted by the federal Affordable Care Act'

1 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (5) in  
2 the 4th line (page 3, line 37 in amendment) by inserting after the following: "1" the  
3 following: 'to the extent permitted by the federal Affordable Care Act'

4 Amend the amendment in Part A in section 5 by striking out all of paragraph C (page  
5 4, lines 16 to 22 in amendment) and inserting the following:

6 'C. A carrier may vary the premium rate due to occupation and industry, family  
7 membership, ~~smoking status~~, participation in wellness programs and group size. The  
8 superintendent may adopt rules setting forth appropriate methodologies regarding rate  
9 discounts for participation in wellness programs and rating for occupation and  
10 industry and group size pursuant to this paragraph. Rules adopted pursuant to this  
11 paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter  
12 H-A 2-A.'

13 Amend the amendment in Part A by inserting after section 5 the following:

14 'Sec. A-6. 24-A MRSA §2808-B, sub-§2, ¶C-1 is enacted to read:

15 C-1. A carrier may vary the premium rate due to geographic area in accordance with  
16 the limitation set out in this paragraph. For all policies, contracts or certificates that  
17 are executed, delivered, issued for delivery, continued or renewed in this State on or  
18 after October 1, 2011, the rating factor used by a carrier for geographic area may not  
19 exceed 1.5.'

20 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (7) in  
21 the 4th line (page 5, line 16 in amendment) by inserting after the following: "1" the  
22 following: 'to the extent permitted by the federal Affordable Care Act'

23 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (8) in  
24 the 4th line (page 5, line 21 in amendment) by inserting after the following: "1" the  
25 following: 'to the extent permitted by the federal Affordable Care Act'

26 Amend the amendment in Part A in section 8 in paragraph H in the 6th line (page 5,  
27 line 35 in amendment) by inserting after the following: "paragraph" the following: 'and  
28 paragraphs C and C-1'

29 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (4) in  
30 the 4th line (page 6, line 12 in amendment) by inserting after the following: "1" the  
31 following: 'to the extent permitted by the federal Affordable Care Act'

32 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (5) in  
33 the 4th line (page 6, line 17 in amendment) by inserting after the following: "1" the  
34 following: 'to the extent permitted by the federal Affordable Care Act'

35 Amend the amendment in Part B in section 6 in subsection 3 by striking out all of  
36 paragraph F (page 8, lines 15 to 17 in amendment)

37 Amend the amendment in Part C in section 4 in §405-B in subsection 1 in the first  
38 line (page 19, line 1 in amendment) by striking out the following: "subsidiary" and  
39 inserting the following: 'corporate affiliate'

1 Amend the amendment in Part C in section 4 in §405-B in subsection 3 in the 4th line  
2 (page 19, line 13 in amendment) by striking out the following: "subsidiary" and inserting  
3 the following: 'corporate affiliate'

4 Amend the amendment in Part D by striking out all of section 5.

5 Amend the amendment in Part F in section 7 by striking out all of subsection 1 (page  
6 24, lines 31 to 35 in amendment) and inserting the following:

7 **'1. Demonstration of adequate access to providers. A carrier offering or renewing**  
8 **a managed care plan shall provide to its members reasonable access to health care**  
9 **services. A carrier may provide incentives to members to use designated providers based**  
10 **on cost or quality, but may not require members to use designated providers of health**  
11 **care services.'**

12 Amend the amendment by relettering or renumbering any nonconsecutive Part letter  
13 or section number to read consecutively.

14 **SUMMARY**

15 This amendment makes changes to Committee Amendment "A" as follows.

16 1. The amendment restricts rating in the individual and small group market on the  
17 basis of geographic area using language previously enacted to a rating factor of 1.5  
18 instead of allowing rating on the basis of geographic area outside of the age rating band.

19 2. The amendment clarifies that the expansion of the rating bands in the individual  
20 and small group market to 4 to 1 and 5 to 1 is allowed to the extent permitted by the  
21 federal Patient Protection and Affordable Care Act.

22 3. The amendment clarifies that carriers offering managed care plans may provide  
23 incentives to members to use designated providers based on cost or quality, but may not  
24 require members to use designated providers of health care services.

25 4. The amendment makes technical changes and corrections.

26 SPONSORED BY: 

27 (Senator DIAMOND)

28 COUNTY: Cumberland