

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 546

H.P. 365

House of Representatives, February 19, 2013

**An Act To Improve Transparency and Oversight of the Maine
Guaranteed Access Reinsurance Association and To Make Changes
Necessary To Comply with Federal Law**

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative TREAT of Hallowell.
Cosponsored by Representatives: BECK of Waterville, GOODE of Bangor, MORRISON of South Portland, Senators: GRATWICK of Penobscot, WOODBURY of Cumberland.

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

2 **Sec. 1. 1 MRSA §402, sub-§2, ¶F**, as amended by PL 2009, c. 334, §2, is further
3 amended to read:

4 F. Any advisory organization, including any authority, board, commission,
5 committee, council, task force or similar organization of an advisory nature,
6 established, authorized or organized by law or resolve or by Executive Order issued
7 by the Governor and not otherwise covered by this subsection, unless the law, resolve
8 or Executive Order establishing, authorizing or organizing the advisory organization
9 specifically exempts the organization from the application of this subchapter; ~~and~~

10 **Sec. 2. 1 MRSA §402, sub-§2, ¶G**, as enacted by PL 2009, c. 334, §3, is
11 amended to read:

12 G. The committee meetings, subcommittee meetings and full membership meetings
13 of any association that:

14 (1) Promotes, organizes or regulates statewide interscholastic activities in public
15 schools or in both public and private schools; and

16 (2) Receives its funding from the public and private school members, either
17 through membership dues or fees collected from those schools based on the
18 number of participants of those schools in interscholastic activities.

19 This paragraph applies to only those meetings pertaining to interscholastic sports and
20 does not apply to any meeting or any portion of any meeting the subject of which is
21 limited to personnel issues, allegations of interscholastic athletic rule violations by
22 member schools, administrators, coaches or student athletes or the eligibility of an
23 individual student athlete or coach; ~~and~~

24 **Sec. 3. 1 MRSA §402, sub-§2, ¶H** is enacted to read:

25 H. The meetings of the Board of Directors of the Maine Guaranteed Access
26 Reinsurance Association established in Title 24-A, chapter 54-A.

27 **Sec. 4. 24-A MRSA §3953, sub-§1**, as enacted by PL 2011, c. 90, Pt. B, §8, is
28 amended to read:

29 **1. Guaranteed access reinsurance mechanism established.** The Maine
30 Guaranteed Access Reinsurance Association is established as a nonprofit legal entity. As
31 a condition of doing business in the State, an insurer that has issued or administered
32 medical insurance within the previous 12 months or is actively marketing a medical
33 insurance policy or medical insurance administrative services in this State must
34 participate in the association. The Dirigo Health Program established in chapter 87 and
35 any other state-sponsored health benefit program shall also participate in the association.
36 Beginning January 1, 2014 and until December 31, 2016, operations of the association are
37 suspended and the association may not collect assessments as provided in section 3957,
38 provide reinsurance for member insurers under section 3958 or provide reimbursement
39 for member insurers under section 3961 except as provided by section 3963. Prior to

1 resuming operations on or after January 1, 2016, the association shall submit a revised
2 plan of operation to the superintendent for approval.

3 **Sec. 5. 24-A MRSA §3953, sub-§2, ¶A**, as enacted by PL 2011, c. 90, Pt. B, §8,
4 is amended to read:

5 A. The board consists of 11 members appointed as described in this paragraph:

6 (1) ~~Six~~ Eight members appointed by the superintendent: 2 members chosen from
7 the general public and who are not associated with the medical profession, a
8 hospital or an insurer; 2 members who represent medical providers; 2 members
9 who represent individual health insurance consumers; one member who
10 represents a statewide organization that represents small businesses; and one
11 member who represents producers. A board member appointed by the
12 superintendent may not be removed without cause; and

13 (2) ~~Five~~ Three members appointed by the member insurers, at least one of whom
14 is a domestic insurer and at least one of whom is a 3rd-party administrator.

15 **Sec. 6. 24-A MRSA §3953, sub-§2, ¶E** is enacted to read:

16 E. The board shall establish regular places and times for meetings and may also meet
17 at other times at the call of the chair. All meetings of the board are public
18 proceedings as defined in Title 1, section 402, subsection 2, and meetings must be
19 conducted in accordance with Title 1, chapter 13, subchapter 1, including, but not
20 limited to, the use of executive sessions pursuant to Title 1, section 405.

21 **Sec. 7. 24-A MRSA §§3962 and 3963** are enacted to read:

22 **§3962. Reimbursement prohibited; minimum medical loss ratio**

23 Notwithstanding any other provision of this chapter, the association may not
24 reimburse a member insurer for any claims otherwise eligible for reimbursement under
25 this chapter if that member insurer has not complied with the minimum medical loss ratio
26 for individual health insurance determined under section 4319, subsection 3, and any
27 waiver of the minimum medical loss ratio under section 4319, subsection 3 granted under
28 federal law does not apply for purposes of this section.

29 **§3963. Activities authorized during suspension period**

30 This section governs the suspension of operations of the association from January 1,
31 2014 to December 31, 2016 pursuant to section 3953, subsection 1 and the authority of
32 the association to conduct certain activities.

33 **1. Payment of claims.** The association shall pay claims eligible under sections 3958
34 and 3961 that were incurred prior to January 1, 2014.

35 **2. Additional assessment for net losses.** The association may impose any
36 additional assessment necessary to fund net losses of the association pursuant to section
37 3957, subsection 5.

1 1. It makes meetings of the Board of Directors of the Maine Guaranteed Access
2 Reinsurance Association public under the State's freedom of access laws unless the board
3 holds executive sessions as permitted under the State's freedom of access laws;

4 2. It adds 2 consumer members to the Board of Directors and reduces the number of
5 board members who are representatives of insurers from 5 to 3;

6 3. It suspends the authority of the association to collect assessments and premiums or
7 provide reinsurance and reimbursement for 3 years, from January 1, 2014 until December
8 31, 2016 and also requires that the association submit a revised plan of operation to the
9 Superintendent of Insurance before resuming operations;

10 4. It provides that the association may not provide reinsurance or reimbursement to a
11 member insurer unless the insurer meets the 80% minimum medical loss ratio for
12 individual health insurance established under federal and state law; and

13 5. It directs the joint standing committee of the Legislature having jurisdiction over
14 insurance and financial services matters to evaluate the transitional reinsurance program
15 operating in the State from January 1, 2014 until December 31, 2016 under federal law.
16 Before January 1, 2016, the committee is required to make a recommendation to the
17 Legislature whether the Maine Guaranteed Access Reinsurance Association should
18 resume operations and whether statutory changes should be made. The Joint Standing
19 Committee on Insurance and Financial Services may report out a bill based on its
20 recommendations to the Second Regular Session of the 127th Legislature.