

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 scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

2
ROFS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

Date: 3/30/15

L.D. 135
(Filing No. H-26)

INSURANCE AND FINANCIAL SERVICES

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 93, L.D. 135, Bill, "An Act To Prohibit Tobacco Use Surcharges in Small Group and Individual Health Insurance Products"

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

'An Act To Reduce Tobacco Use Surcharges in Small Group and Individual Health Insurance Products'

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

'Sec. 1. 24-A MRSA §2736-C, sub-§2, ¶D, as amended by PL 2011, c. 364, §4, is further amended to read:

D. A carrier may vary the premium rate due to age and tobacco use in accordance with the limitations set out in this paragraph.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between December 1, 1993 and July 14, 1994, the premium rate may not deviate above or below the community rate filed by the carrier by more than 50%.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1994 and July 14, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 33%.

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1995 and June 30, 2012, the premium rate may not deviate above or below the community rate filed by the carrier by more than 20%.

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 1, 2012 and December 31, 2013, the maximum rate differential due to age filed by the carrier

COMMITTEE AMENDMENT

ROFS

1 as determined by ratio is 3 to 1. The limitation does not apply for determining
2 rates for an attained age of less than 19 years of age or more than 65 years of age.

3 (6) For all policies, contracts or certificates that are executed, delivered, issued
4 for delivery, continued or renewed in this State between January 1, 2014 and
5 December 31, 2014, the maximum rate differential due to age filed by the carrier
6 as determined by ratio is 4 to 1 to the extent permitted by the federal Affordable
7 Care Act. The limitation does not apply for determining rates for an attained age
8 of less than 19 years of age or more than 65 years of age.

9 (7) For all policies, contracts or certificates that are executed, delivered, issued
10 for delivery, continued or renewed in this State on or after January 1, 2015, the
11 maximum rate differential due to age filed by the carrier as determined by ratio is
12 5 to 1 to the extent permitted by the federal Affordable Care Act. The limitation
13 does not apply for determining rates for an attained age of less than 19 years of
14 age or more than 65 years of age.

15 (8) For all policies, contracts or certificates that are executed, delivered, issued
16 for delivery, continued or renewed in this State ~~on or after~~ between July 1, 2012
17 and December 31, 2016, the maximum rate differential due to tobacco use filed
18 by the carrier as determined by ratio is 1.5 to 1.

19 (9) For all policies, contracts or certificates that are executed, delivered, issued
20 for delivery, continued or renewed in this State on or after January 1, 2017, the
21 maximum rate differential due to tobacco use filed by the carrier as determined
22 by ratio is 1.2 to 1.

23 **Sec. 2. 24-A MRSA §2736-C, sub-§2, ¶I,** as amended by PL 2011, c. 364, §5, is
24 further amended to read:

25 I. A carrier that offered individual health plans prior to July 1, 2012 may close its
26 individual book of business sold prior to July 1, 2012 and may establish a separate
27 community rate for individuals applying for coverage under an individual health plan
28 on or after July 1, 2012. If a carrier closes its individual book of business as
29 permitted under this paragraph, the carrier may vary the premium rate for individuals
30 in that closed book of business only as permitted in this paragraph and paragraphs C
31 and C-1.

32 (1) For all policies, contracts or certificates that are executed, delivered, issued
33 for delivery, continued or renewed in this State between July 1, 2012 and
34 December 31, 2012, the maximum rate differential due to age filed by the carrier
35 as determined by ratio is 2 to 1. The limitation does not apply for determining
36 rates for an attained age of less than 19 years of age or more than 65 years of age.

37 (2) For all policies, contracts or certificates that are executed, delivered, issued
38 for delivery, continued or renewed in this State between January 1, 2013 and
39 December 31, 2013, the maximum rate differential due to age filed by the carrier
40 as determined by ratio is 2.5 to 1. The limitation does not apply for determining
41 rates for an attained age of less than 19 years of age or more than 65 years of age.

COMMITTEE AMENDMENT

ROFS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2014 and December 31, 2014, the maximum rate differential due to age filed by the carrier as determined by ratio is 3 to 1. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2015 and December 31, 2015, the maximum rate differential due to age filed by the carrier as determined by ratio is 4 to 1 to the extent permitted by the federal Affordable Care Act. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2016, the maximum rate differential due to age filed by the carrier as determined by ratio is 5 to 1 to the extent permitted by the federal Affordable Care Act. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(6) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State ~~on or after~~ between July 1, 2012 and December 31, 2016, the maximum rate differential due to tobacco use filed by the carrier as determined by ratio is 1.5 to 1.

(7) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2017, the maximum rate differential due to tobacco use filed by the carrier as determined by ratio is 1.2 to 1.

The superintendent shall direct the Consumer Health Care Division, established in section 4321, to work with carriers and health advocacy organizations to provide information about comparable alternative insurance options to individuals in a carrier's closed book of business.

Sec. 3. 24-A MRSA §2808-B, sub-§2, ¶D, as amended by PL 2011, c. 638, §2, is further amended to read:

D. A carrier may vary the premium rate due to age, group size and tobacco use only under the following schedule and within the listed percentage bands.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1993 and July 14, 1994, the premium rate may not deviate above or below the community rate filed by the carrier by more than 50%.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1994 and July 14, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 33%.

COMMITTEE AMENDMENT

10/16

- 1 (3) For all policies, contracts or certificates that are executed, delivered, issued
2 for delivery, continued or renewed in this State between July 15, 1995 and
3 September 30, 2011, the premium rate may not deviate above or below the
4 community rate filed by the carrier by more than 20%.
- 5 (4) For all policies, contracts or certificates that are executed, delivered, issued
6 for delivery, continued or renewed in this State between October 1, 2011 and
7 September 30, 2012, the maximum rate differential due to age filed by the carrier
8 as determined by ratio is 2 to 1. The limitation does not apply for determining
9 rates for an attained age of less than 19 years of age or more than 65 years of age.
- 10 (5) For all policies, contracts or certificates that are executed, delivered, issued
11 for delivery, continued or renewed in this State between October 1, 2012 and
12 December 31, 2013, the maximum rate differential due to age and group size
13 filed by the carrier as determined by ratio is 2.5 to 1. The limitation does not
14 apply for determining rates for an attained age of less than 19 years of age or
15 more than 65 years of age.
- 16 (6) For all policies, contracts or certificates that are executed, delivered, issued
17 for delivery, continued or renewed in this State between January 1, 2014 and
18 December 31, 2014, the maximum rate differential due to age and group size
19 filed by the carrier as determined by ratio is 3 to 1 to the extent permitted by the
20 federal Affordable Care Act. The limitation does not apply for determining rates
21 for an attained age of less than 19 years of age or more than 65 years of age.
- 22 (7) For all policies, contracts or certificates that are executed, delivered, issued
23 for delivery, continued or renewed in this State between January 1, 2015 and
24 December 31, 2015, the maximum rate differential due to age and group size
25 filed by the carrier as determined by ratio is 4 to 1 to the extent permitted by the
26 federal Affordable Care Act. The limitation does not apply for determining rates
27 for an attained age of less than 19 years of age or more than 65 years of age.
- 28 (8) For all policies, contracts or certificates that are executed, delivered, issued
29 for delivery, continued or renewed in this State on or after January 1, 2016, the
30 maximum rate differential due to age and group size filed by the carrier as
31 determined by ratio is 5 to 1 to the extent permitted by the federal Affordable
32 Care Act. The limitation does not apply for determining rates for an attained age
33 of less than 19 years of age or more than 65 years of age.
- 34 (9) For all policies, contracts or certificates that are executed, delivered, issued
35 for delivery, continued or renewed in this State ~~on or after~~ between October 1,
36 2011 and December 31, 2016, the maximum rate differential due to tobacco use
37 filed by the carrier as determined by ratio is 1.5 to 1.
- 38 (10) For all policies, contracts or certificates that are executed, delivered, issued
39 for delivery, continued or renewed in this State on or after January 1, 2017, the
40 maximum rate differential due to tobacco use filed by the carrier as determined
41 by ratio is 1.2 to 1.

COMMITTEE AMENDMENT

1000

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

Sec. 4. 24-A MRSA §2808-B, sub-§2, ¶H, as amended by PL 2011, c. 638, §3, is further amended to read:

H. A carrier that offered small group health plans prior to October 1, 2011 may close its small group book of business sold prior to October 1, 2011 and may establish a separate community rate for eligible groups applying for coverage under a small group health plan on or after October 1, 2011. If a carrier closes its small group book of business as permitted under this paragraph, the carrier may vary the premium rate for that closed book of business only as permitted in this paragraph and paragraphs C and C-1.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between October 1, 2011 and September 30, 2012, the maximum rate differential due to age filed by the carrier as determined by ratio is 2 to 1. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between October 1, 2012 and December 31, 2013, the maximum rate differential due to age and group size filed by the carrier as determined by ratio is 2.5 to 1. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2014 and December 31, 2014, the maximum rate differential due to age and group size filed by the carrier as determined by ratio is 3 to 1 to the extent permitted by the federal Affordable Care Act. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2015 and December 31, 2015, the maximum rate differential due to age and group size filed by the carrier as determined by ratio is 4 to 1 to the extent permitted by the federal Affordable Care Act. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2016, the maximum rate differential due to age and group size filed by the carrier as determined by ratio is 5 to 1 to the extent permitted by the federal Affordable Care Act. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(6) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State ~~on or after~~ between October 1, 2011 and December 31, 2016, the maximum rate differential due to tobacco use filed by the carrier as determined by ratio is 1.5 to 1.

1000

1
2
3
4
5
6
7
8
9
10
11
12
13

(7) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2017, the maximum rate differential due to tobacco use filed by the carrier as determined by ratio is 1.2 to 1.'

SUMMARY

The amendment replaces the bill, which proposed to prohibit carriers providing individual health plans or small group health plans from adding a surcharge for tobacco use. The amendment reduces the maximum rate differential that may be applied by a carrier for tobacco use in individual and small group health insurance policies from 1.5 to 1 to 1.2 to 1 and makes the changed rate differential apply to all policies, contracts and certificates issued or renewed on or after January 1, 2017.

FISCAL NOTE REQUIRED

(See attached)



127th MAINE LEGISLATURE

LD 135

LR 781(02)

An Act To Prohibit Tobacco Use Surcharges in Small Group and Individual Health Insurance Products

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-26)

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Department of Professional and Financial Regulation to adopt the changes in this bill are expected to be minor and can be absorbed within existing budgeted resources.