

MAINE STATE LEGISLATURE

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5/10/15
R O F S

L.D. 243

Date: 4/30/15

(Filing No. H-104)

Majority

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. 175, L.D. 243, Bill, "An Act To Restore Consumer Rate Review for Health Insurance Plans in the Individual Market"

Amend the bill by striking out all of section 2 and inserting the following:

'Sec. 2. 24-A MRSA §2736-A, as amended by PL 2011, c. 364, §2, is repealed and the following enacted in its place:

§2736-A. Hearing; public comment

1. Hearing requirements. If at any time the superintendent has reason to believe that a filing does not meet the requirements that rates not be excessive, inadequate or unfairly discriminatory or that the filing violates any of the provisions of chapter 23, the superintendent shall cause a hearing to be held. If a filing proposes an increase in rates in an individual health plan as defined in section 2736-C, the superintendent shall cause a hearing to be held at the request of the Attorney General. In any hearing conducted under this subsection, the insurer has the burden of proving rates are not excessive, inadequate or unfairly discriminatory. Hearings held under this subsection must conform to the procedural requirements set forth in Title 5, chapter 375, subchapter 4.

2. Public comment on certain filings. If a filing proposes an increase in rates in an individual health plan as defined in section 2736-C and the rate increase for any policyholder exceeds the index of medical inflation by 2% or more, the superintendent shall hold meetings in at least 3 locations throughout the State to allow public comment on the rate filing. For purposes of this subsection, "index of medical inflation" means the rate of increase in medical costs for a section of the United States selected by the superintendent that includes Maine for the most recent 12-month period immediately preceding the date of the filing for which data are available.'

Amend the bill by striking out all of section 5.

Amend the bill in section 6 in the 2nd line (page 2, line 34 in L.D.) by striking out the following: "2735-A, 2736-A and 2736-C" and inserting the following: '2735-A and 2736-C and that repeal and replace section 2736-A'

COMMITTEE AMENDMENT

1 Amend the bill in section 6 in the last line (page 2, line 37 in L.D.) by striking out the
2 following: "2016" and inserting the following: '2017'

3 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
4 section number to read consecutively.

5 **SUMMARY**

6 This amendment requires the Superintendent of Insurance to hold meetings in at least
7 3 locations throughout the State to allow public comment on a rate filing if the rate filing
8 proposes an increase in rates in individual health insurance plans that exceeds the rate of
9 medical inflation by 2% or more. The bill requires a hearing to be held pursuant to the
10 Maine Administrative Procedure Act for every rate filing proposing an increase in rates in
11 individual health plans. The changes in the amendment apply to rate filings beginning
12 with the 2017 plan or policy year, instead of the 2016 plan or policy year as proposed in
13 the bill.

14 The amendment also removes the section of the bill related to meetings of the Board
15 of Directors of the Maine Guaranteed Access Reinsurance Association.

16 **FISCAL NOTE REQUIRED**

17 (See attached)



127th MAINE LEGISLATURE

LD 243

LR 183(02)

An Act To Restore Consumer Rate Review for Health Insurance Plans in the Individual Market

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-104)
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.