

# MAINE STATE LEGISLATURE

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SAM

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Date: 4/18/19

(Filing No. S-49 )

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**HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES**

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Reproduced and distributed under the direction of the Secretary of the Senate.

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**STATE OF MAINE**

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**SENATE**

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**129TH LEGISLATURE**

8

**FIRST REGULAR SESSION**

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COMMITTEE AMENDMENT "A" to S.P. 109, L.D. 368, Bill, "An Act To Redefine Geographic Association for Multiple-employer Welfare Arrangements"

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

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'Sec. 1. 24-A MRSA §2808-B, sub-§2, ¶E, as corrected by RR 2011, c. 1, §40, is amended to read:

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E. The superintendent may authorize a carrier to establish a separate community rate for an association group organized pursuant to section 2805-A or a trustee group organized pursuant to section 2806, as long as association group membership or eligibility for participation in the trustee group is not conditional on health status, claims experience or other risk selection criteria and all small group health plans offered by the carrier through that association or trustee group:

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(1) Are otherwise in compliance with the premium rate requirements of this subsection; and

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(2) Are offered on a guaranteed issue basis to all eligible employers that are members of the association or are eligible to participate in the trustee group except that a professional association may require that a minimum percentage of the eligible professionals employed by a subgroup be members of the association in order for the subgroup to be eligible for issuance or renewal of coverage through the association. The minimum percentage must not exceed 90%. For purposes of this subparagraph, "professional association" means an association that:

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(a) Serves a single profession that requires a significant amount of education, training or experience or a license or certificate from a state authority to practice that profession;

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(b) Has been actively in existence for 5 years;

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(c) Has a constitution and bylaws or other analogous governing documents;

**COMMITTEE AMENDMENT**

- 1 (d) Has been formed and maintained in good faith for purposes other than  
2 obtaining insurance;
- 3 (e) Is not owned or controlled by a carrier or affiliated with a carrier;
- 4 (g) Has at least 1,000 members if it is a national association; 200 members if  
5 it is a state or local association;
- 6 (h) All members and dependents of members are eligible for coverage  
7 regardless of health status or claims experience; and
- 8 (i) Is governed by a board of directors and sponsors annual meetings of its  
9 members.

10 Producers may only market association memberships, accept applications for  
11 membership or sign up members in the professional association where the individuals  
12 are actively engaged in or directly related to the profession represented by the  
13 professional association.

14 Except for employers with plans that have grandfathered status under the federal  
15 Affordable Care Act, this paragraph does not apply to policies, contracts or  
16 certificates that are executed, delivered, issued for delivery, continued or renewed in  
17 this State on or after January 1, 2014 until December 31, 2019. To the extent  
18 permitted under the federal Affordable Care Act, this paragraph applies to policies,  
19 contracts or certificates that are executed, delivered, issued for delivery, continued or  
20 renewed in this State on or after January 1, 2020.

21 **Sec. 2. 24-A MRSA §6603, sub-§1, ¶¶B and D**, as amended by PL 2001, c.  
22 570, §1, are further amended to read:

23 ~~B. Except for those associations meeting the criteria of subsection 1-A, must~~ Must be  
24 established by a trade association; industry association; association with employer  
25 members representing multiple trades, industries or professions; political subdivision  
26 of the State; religious organization; or professional association of employers or  
27 professionals that has a constitution or bylaws and that has been organized and  
28 maintained in good faith for a continuous period of one year for purposes other than  
29 that of obtaining or providing insurance;

30 D. May not be offered, advertised or available to employers or other members of the  
31 public generally, ~~except as allowed under subsection 1-A;~~

32 **Sec. 3. 24-A MRSA §6603, sub-§1-A**, as enacted by PL 2001, c. 570, §2, is  
33 repealed.'

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

### 36 SUMMARY

37 This amendment replaces the bill. The amendment repeals the provision authorizing  
38 a multiple-employer welfare arrangement based on geographic association and removes  
39 cross-references to that provision. The amendment authorizes a multiple-employer

COMMITTEE AMENDMENT "A" to S.P. 109, L.D. 368 (S-49)

1 welfare arrangement by an association with employer members representing multiple  
2 trades, industries or professions. The amendment also restores the ability of the  
3 Superintendent of Insurance to authorize a separate community rate for fully insured  
4 association health plans for multiple employers.

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**FISCAL NOTE REQUIRED**

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**(See attached)**



# 129th MAINE LEGISLATURE

LD 368

LR 1260(02)

An Act To Redefine Geographic Association for Multiple-employer Welfare Arrangements

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-49)  
Committee: Health Coverage, Insurance and Financial Services  
Fiscal Note Required: Yes

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## Fiscal Note

Minor cost increase - Other Special Revenue Funds

### Fiscal Detail and Notes

Any additional costs to the Bureau of Insurance within the Department of Professional and Financial Regulation from the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.