

MAINE STATE LEGISLATURE

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Date 5/23/23 Minority

LD 1252
(Filing No H- 210)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H P 800, L D 1252, "An Act to Ensure Choices in Health Insurance Markets by Limiting the Requirement to Offer Clear Choice Design Health Plans"

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

Sec. 1. 24-A MRSA §2792, sub-§1, as amended by PL 2021, c 361, §1, is further amended to read

1. Pooled market established. Subject to the requirements of subsection 5, all individual and small group health plans offered in this State with effective dates of coverage on or after January 1, 2023 must be offered through a pooled market. ~~A health insurance carrier offering an individual health plan subject to this section shall make the plan available to all eligible small employers within the plan's approved service area, and a health insurance carrier offering a small group health plan subject to this section shall make the plan available to all eligible individuals residing within the plan's approved service area. This subsection does not require the Maine Health Insurance Marketplace established in Title 22, chapter 1479 to offer identical choices of health plans to individuals and to small employers under Title 22, chapter 1479.~~

Sec. 2. 24-A MRSA §2792, sub-§2, as enacted by PL 2019, c 653, Pt B, §2, is amended to read

2. Premium rates. Premium rates for a health plan offered in the pooled market described in subsection 1 may not vary based on whether the plan is issued to an individual or to a small employer. Rate filings and review for the pooled market are subject to the provisions of sections 2736 to 2736-C. ~~For health plans that are issued on other than a calendar year basis, rates applicable on and after January 1st of any plan year must be the approved rates for the most similar plan offered during the new calendar year, adjusted by a factor, approved by the superintendent as part of the rating plan, that appropriately accounts for any differences in plan design.~~

COMMITTEE AMENDMENT

1 **Sec. 3. 24-A MRSA §2793**, as amended by PL 2021, c 361, §3, is further amended
 2 to read

3 **§2793. Clear choice designs**

4 The superintendent shall develop clear choice designs for health plans in order to
 5 reduce consumer confusion and provide meaningful choices for consumers by promoting
 6 a level playing field on which carriers compete on the basis of price and quality The
 7 superintendent shall develop separate clear choice designs for individual health plans and
 8 small group health plans

9 **1. Clear choice design.** For the purposes of this section, "clear choice design" means
 10 a set of annual copayments, coinsurance and deductibles for all or a designated subset of
 11 the essential health benefits An individual health plan subject to section 2736-C or a pooled
 12 market health plan subject to section 2792 must conform to one of the clear choice designs
 13 developed pursuant to this section unless it is approved as an alternative plan under
 14 subsection 4

15 **2. Development of clear choice designs.** The superintendent shall develop clear
 16 choice designs in consultation with working groups consisting of consumers, carriers,
 17 health policy experts and other interested persons The superintendent shall adopt rules for
 18 clear choice designs, taking into consideration the ability of plans to conform to actuarial
 19 value ranges, consumer needs and promotion of benefits with high value and return on
 20 investment The superintendent shall develop at least one clear choice design for each tier
 21 of health insurance plan designated as bronze, silver, gold and platinum in accordance with
 22 the federal Affordable Care Act Rules adopted pursuant to this subsection are routine
 23 technical rules as defined in Title 5, chapter 375, subchapter 2-A Clear choice designs
 24 apply to all individual health plans offered in this State with effective dates of coverage on
 25 or after January 1, 2022 and to all small group health plans offered through the pooled
 26 market under section 2792 No later than January 31st of each year, the superintendent shall
 27 release the proposed clear choice plan designs to be used in the following plan year for
 28 review and comment by stakeholders

29 **3. Annual review.** The superintendent shall consider annually whether to revise,
 30 discontinue or add any clear choice designs for use by carriers in the following calendar
 31 year, including but not limited to considering whether deductible and copayment levels
 32 should be changed to reflect medical inflation and conform with actuarial value and annual
 33 maximum out-of-pocket limits

34 **4. Alternative plan designs.** In addition to one or more health plans that include cost-
 35 sharing parameters consistent with a clear choice design developed pursuant to this section,
 36 a carrier may offer up to 3 individual health plan designs and up to 3 small group health
 37 plans that modify one or more specific cost-sharing parameters in a clear choice design if
 38 the carrier submits an actuarial certification to the satisfaction of the superintendent that
 39 the alternative plan design offers significant consumer benefits and does not result in
 40 adverse selection An alternative plan design may be offered only in a service area where
 41 the carrier offers at least one clear choice design plan at the same tier

42 **Sec. 4. Appropriations and allocations.** The following appropriations and
 43 allocations are made

44 **PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

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Insurance - Bureau of 0092

Initiative Provides a one-time allocation to allow expenditures for consulting services to develop separate clear choice plan designs for individual health plans and small group health plans

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	\$45,000	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	\$45,000	\$0

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

SUMMARY

This amendment, which is the minority report of the committee, replaces the bill. The amendment eliminates the requirement that health insurance carriers offer the same plans in the individual and small group markets. It also allows carriers to offer up to 3 alternative individual health plans and 3 alternative small group plans. Finally, it requires the Superintendent of Insurance to release the proposed plan designs for stakeholder review and comment by January 31st of the year in which the plans must be filed.

FISCAL NOTE REQUIRED

(See attached)



131st MAINE LEGISLATURE

LD 1252

LR 1300(02)

An Act to Ensure Choices in Health Insurance Markets by Limiting the Requirement to Offer Clear Choice Design Health Plans

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-210)
Committee: Health Coverage, Insurance and Financial Services
Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Appropriations/Allocations				
Other Special Revenue Funds	\$45,000	\$0	\$0	

Fiscal Detail and Notes

This bill includes a one-time allocation to the Bureau of Insurance within the Department of Professional and Financial Regulation of \$45,000 in fiscal year 2023-24 to allow expenditures for consulting services to develop separate clear choice plan designs for individual health plans and small group health plans