

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTIETH LEGISLATURE

FIRST SPECIAL SESSION
November 13, 2002 to November 14, 2002

ONE HUNDRED AND TWENTY-FIRST LEGISLATURE

FIRST REGULAR SESSION
December 4, 2002 to June 14, 2003

THE GENERAL EFFECTIVE DATE FOR
FIRST SPECIAL SESSION
NON-EMERGENCY LAWS IS
FEBRUARY 13, 2003

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FIRST REGULAR SESSION
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IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Penmor Lithographers
Lewiston, Maine
2003

CHAPTER 156

S.P. 301 - L.D. 905

**An Act To Protect Employees if
Their Employer Fails To Pay
Premiums for Employer-sponsored
Health Insurance**

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

Sec. 1. 24 MRSA §2317-B, sub-§15-A is enacted to read:

15-A. Title 24-A, section 2809-A, subsections 1-A and 1-B. Notice of cancellation and availability of individual coverage, Title 24-A, section 2809-A, subsections 1-A and 1-B:

Sec. 2. 24-A MRSA §2809-A, sub-§1-A, ¶B, as repealed and replaced by PL 1995, c. 625, Pt. A, §25, is repealed.

Sec. 3. 24-A MRSA §2809-A, sub-§1-A, ¶B-1 is enacted to read:

B-1. At the time of notification under paragraph A, notice must be mailed to the certificate holder at the last address provided by the subgroup sponsor or the group policyholder to the insurer unless the insurer does not have an address on file for the certificate holder. The notice must also include information to the certificate holder about the availability of individual coverage as described in subsection 1-B.

Sec. 4. 24-A MRSA §2809-A, sub-§1-B, as enacted by PL 1997, c. 604, Pt. B, §3, is amended to read:

1-B. Notification of availability of individual coverage. An insurer must provide forms to group policyholders and certificate holders as required in subsection 1-A for the purpose of informing terminating group members of their right to purchase any individual health plan available in this State. An adequate supply of forms must be provided to each group policyholder when the policy is issued and at least annually thereafter. The superintendent may prescribe the content of the form by routine technical rule pursuant to Title 5, chapter 375, subchapter ~~H-A~~ 2-A. The form must include at least the following:

A. A statement that all state residents not eligible for Medicare have a right to purchase any individual health plan available in this State;

B. A statement that in order to avoid a gap in coverage, the individual should apply for indi-

vidual coverage prior to termination of group coverage;

C. A statement that if more than 90 days pass between the time the group coverage ends and the time individual coverage begins, the individual coverage may exclude preexisting conditions for one year; and

D. A statement that information concerning individual coverage is available from the Bureau of Insurance. The bureau's toll-free telephone number must also be provided.

Sec. 5. 24-A MRSA §4209, sub-§6, as enacted by PL 1995, c. 189, §3 and affected by §4, is amended to read:

6. Notification of cancellation. A health maintenance organization must provide by first class mail at least 10 days' prior notification of cancellation for nonpayment of enrollment charges according to this section. The notice must include the date of cancellation of coverage and the time period for exercising contract conversion rights. Notification is not required when the insurer has received written notice from the group contract holder that replacement coverage has been obtained.

A. Notice must be mailed to the group contract holder or subgroup sponsor.

~~B. At the time of notification under paragraph A, notice must be mailed to the individual enrollee at:~~

~~(1) The last address provided by the group contract holder to the health maintenance organization; or~~

~~(2) The office of the subgroup sponsor, if any, or the group contract holder.~~

B-1. At the time of notification under paragraph A, notice must be mailed to the individual enrollee at the last address provided by the subgroup sponsor or group contract holder to the health maintenance organization unless the health maintenance organization does not have an address on file for the individual enrollee. The notice must also include information to the individual enrollee about the availability of individual coverage as described in section 2809-A, subsection 1-B.

C. Notice must be mailed to the Bureau of Insurance ~~and to the Bureau of Labor Standards.~~

See title page for effective date.