

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR AND FIRST SPECIAL SESSIONS



Summaries of bills, adopted amendments and laws enacted or finally passed
during the Second Regular or First Special Sessions of the 123rd Maine
Legislature coming from the

**JOINT STANDING COMMITTEE ON INSURANCE AND
FINANCIAL SERVICES**

May 2008

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STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR & FIRST SPECIAL SESSIONS



**LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS**

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the Second Regular or First Special Sessions of the 123rd Maine Legislature.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

CON RES XXX..... Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES..... House & Senate disagree; bill died
DIED IN CONCURRENCE..... One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT..... Action incomplete when session ended; bill died
EMERGENCY..... Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE..... Bill failed to get majority vote
FAILED MANDATE ENACTMENT..... Bill imposing local mandate failed to get 2/3 vote
NOT PROPERLY BEFORE THE BODY..... Ruled out of order by the presiding officers; bill died
INDEF PP..... Bill Indefinitely Postponed; bill died
ONTP (or Accepted ONTP report)..... Ought Not To Pass report accepted; bill died
P&S XXX..... Chapter # of enacted Private & Special Law
PUBLIC XXX..... Chapter # of enacted Public Law
RESOLVE XXX..... Chapter # of finally passed Resolve
UNSIGNED..... Bill held by Governor
VETO SUSTAINED..... Legislature failed to override Governor's Veto

The effective date for non-emergency legislation enacted in the Second Regular Session (R2) is June 30, 2008. The effective date for non-emergency legislation enacted in the First Special Session (S1) is July 18, 2008.¹ The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills. Any bill summarized in this document having an LD number less than 1932 was a bill carried over from the First Regular Session of the 123rd Legislature.

¹ The session in which each law was enacted or finally passed (R2 or S1) is included in Appendix C.

Joint Standing Committee on Insurance and Financial Services

Enacted Law Summary

Public Law 2007, chapter 544 permits a variable annuity contract to include as an incidental benefit a provision for payment on death during the deferred period of an amount equal to the greater of the sum of the premiums or stipulated payments paid under the contract and the value of the contract at the time of death. The law prohibits the payment of any other amount to the beneficiary. The law also requires that the payment on death must be made in accordance with the prompt pay law.

Public Law 2007, chapter 544 applies to variable annuity contracts delivered or issued for delivery on or after January 1, 2009.

LD 2224 An Act To Require Legislators and Their Dependents To Be Enrolled in Dirigo Health

ONTP

Sponsor(s)

Committee Report

Amendments Adopted

ONTP

LD 2224 was introduced by the Joint Standing Committee on Insurance and Financial Services pursuant to its authority under Resolve 2007, chapter 112. The bill requires that Legislators and their dependents be enrolled in the same manner as an eligible business in the Dirigo Health Program. Under current law, Legislators may enroll in group health coverage through the state employee health plan.

LD 2247 An Act To Continue Maine's Leadership in Covering the Uninsured

PUBLIC 629

Sponsor(s)

Committee Report

Amendments Adopted

PINGREE
SULLIVAN

OTP-AM A
ONTP B
OTP-AM C

H-1013 BRAUTIGAM
H-914
S-640 SULLIVAN
S-644 MITCHELL

LD 2247 makes changes to the laws governing individual health insurance and to the laws regarding funding for the Dirigo Health Program.

Part A authorizes the Superintendent of Insurance to approve a pilot project to authorize health insurance carriers to offer individual health insurance products for young people under the age of 30.

Part B establishes a reinsurance association for the individual health insurance market, without placing individuals in a separate risk association or providing coverage under different health plans than those available in the individual market. Beginning July 1, 2009, insurance carriers offering individual health plans that have a medical loss ratio of at least 70% must be reimbursed for 50% of the aggregate claims paid between \$75,000 and \$250,000 for an individual's covered benefits on a state fiscal year basis. The Part also requires individual premium rates charged by a carrier during a rating period to not exceed 2.5 times the lowest individual rate charged by the carrier.

Part B also requires the Superintendent of Insurance to report yearly to the Legislature the impact of changes to the rating provisions in the Maine Revised Statutes, Title 24-A, section 2736-C and the establishment of the Maine Individual Reinsurance Association pursuant to Title 24-A, chapter 54, the total number of individuals enrolled in any health insurance product regulated by the Department of Professional and Financial Regulation, Bureau of Insurance and the numbers of previously uninsured individuals who have enrolled in any health insurance product regulated by the Bureau of Insurance.

Joint Standing Committee on Insurance and Financial Services

Part B also allows a carrier that offered individual health plans prior to July 1, 2009 to close its book of business and establish a separate community rate for those individuals applying for coverage under an individual health plan on or after July 1, 2009. A carrier must merge the closed book with its open book by July 1, 2012 or when the number of subscribers remaining in a carrier's closed individual book of business is less than 25 percent of the carrier's individual health plan subscriber total as of June 30, 2009, whichever is earlier. The Superintendent of Insurance shall develop rules regarding notice requirements and experience pooling in a carrier's open book of business to ensure the availability of affordable options for individuals transitioning from the closed book of business.

Part C removes limitations on the ability of Dirigo Health to adjust the subsidy to individuals to ensure affordability.

Part D makes permanent the temporary voluntary cost containment targets on hospital consolidated operating margins and cost increases, which were initiated in Public Law 2003, chapter 469, Part F, section 1 and were reauthorized in Public Law 2005, chapter 394, section 4.

Part E makes changes to the funding for the Dirigo Health Program. The Part repeals the savings offset payment and replaces it with a health access surcharge of 1.8% on paid claims. Part E also increases the tax on cigarettes from \$2.00 to \$2.50 a pack and equalizes the rate of tax on all other tobacco products by a change in the taxation of "little cigars" from the tobacco products tax to the cigarette tax and an increase in the tobacco products tax from 20% to 78% of the wholesale price on cigars, pipe tobacco and other smoking tobacco.

Part E also requires that all of the revenues from the surcharge and the cigarette tax increases be credited to the Dirigo Health Enterprise Fund to support both the Dirigo Health Program and the Maine Individual Reinsurance Association. Twenty percent of monthly deposits received by the Dirigo Health Enterprise Fund will be transferred to the association.

Part F requires that Dirigo Health submit quarterly reports on information regarding enrollment in the Dirigo Health Program. This Part also repeals the Dirigo Health Risk Pool.

Part G corrects cross-references to reflect the changes made in the bill.

Committee Amendment "A" (H-914)

Committee Amendment "A" makes the following changes to the bill.

The amendment preserves the current law with regard to rating on the basis of geographic area at 20% above or below the community rate. The amendment otherwise permits premium rates to vary on the basis of age and geographic area in combination to a ratio of 2.5 to 1 from the highest premium rate to the lowest premium rate as proposed in the bill. The amendment also requires that the Bureau of Insurance, Consumer Health Care Division provide assistance to individuals who are in the closed book of business as a result of the rating provisions in the bill to facilitate the transition to alternative health coverage in the open book of business.

The amendment also makes changes to the provisions of the bill relating to cigarette and tobacco taxes. The amendment removes the language in the bill reclassifying little cigars as cigarettes and adds a definition of "little cigar." It adds a definition of "roll-your-own tobacco." The amendment also changes the rate of tax on all other tobacco products to a cigarette tax equivalent of \$2.50 per pack by taxing little cigars and roll-your-own tobacco the same as cigarettes and by adjusting the rate of tax on smokeless tobacco and on other cigars, pipe tobacco and other smoking tobacco in proportion to the increase in the cigarette tax.

In addition, the amendment also makes technical corrections and adds an appropriations and allocations section to the bill.

Committee Amendment "B" (H-915)

Joint Standing Committee on Insurance and Financial Services

This amendment makes the following changes to the bill.

The amendment modifies the provision in the bill that authorizes the Superintendent of Insurance to approve pilot projects to offer health insurance products for people under the age of 30. The amendment authorizes the superintendent to approve pilot projects that do not comply with statutory and regulatory requirements for certain mandated benefits, geographic access standards and standard plans if determined to be appropriate to establish affordable and attractive products.

The amendment replaces the reinsurance provision in Part B of the bill. The amendment establishes a reinsurance program for the individual health insurance market but makes it clear that individuals will not be placed in a separate risk pool or be covered under different health plans than those available in the individual market. The amendment permits carriers in the individual market to use an individual health assessment to designate persons covered under an individual health plan for inclusion in the reinsurance program at the time a policy is issued. The amendment requires carriers to account for the impact of the reinsurance program in rates for individual health plans filed for approval with the Superintendent of Insurance. The amendment imposes a 2% assessment on direct premium of health maintenance organizations to partially fund the costs of the reinsurance program.

The amendment also modifies the community rating provisions in the individual health insurance market to permit premium rates to vary up to 40% above or below the community rate. The amendment retains the provisions in the bill that allow a carrier to close its individual book of business and establish a separate community rate for those individuals applying for coverage under an individual health plan on or after July 1, 2009. As in the bill, a carrier must merge the closed book with its open book by July 1, 2012 or when the number of subscribers remaining in a carrier's closed individual book of business is less than 25 percent of the carrier's individual health plan subscriber total as of June 30, 2009, whichever is earlier.

The amendment clarifies Part C of the bill by making clear that the Board of Directors of Dirigo Health has authority to vary the amount of the subsidy granted to eligible individuals and eligible employees to ensure affordability.

The amendment makes changes to Part E in the bill related to funding for the Dirigo Health Program. The amendment repeals the savings offset payment and replaces it with a health access surcharge not to exceed 1.7% on paid claims. The amendment requires that the amount of the surcharge be reduced annually by 0.1% until the surcharge amount is 1.0% paid claims. The amendment directs all of the revenue from the health access surcharge to support subsidies for the Dirigo Health Program. The amendment removes the provisions in Part E of the bill that would have increased the tax on cigarettes from \$2.00 to \$2.50 a pack and equalized the rate of tax on all other tobacco products.

The amendment makes no changes to Parts D, F and G of the bill and also adds an appropriations and allocations section to the bill.

Committee Amendment "B" was not adopted.

Senate Amendment "A" (S-636)

This amendment strikes Committee Amendment "A" and instead does the following.

1. The amendment repeals the guaranteed issuance and community rating law for individual health plans effective April 1, 2009 and allows carriers to treat their pre-April 1, 2009 book of business separately from their post-April 1, 2009 book of business. It makes changes to the continuity of coverage laws to allow underwriting when someone switches carriers in the individual market.

2. The amendment creates the Comprehensive Chronic Care Pool Association. The purpose of the association is to spread the cost of individuals that require chronic care among all health insurers. The amendment funds the chronic care pool through an assessment on insurers. An individual insured through the chronic care pool may be charged a

Joint Standing Committee on Insurance and Financial Services

premium up to 150% of the average premium rates charged by carriers for similar health insurance plans. The amendment requires the State to submit an application to the Federal Government for federal assistance to create a chronic care pool.

3. The amendment also removes the requirement that carriers offer standardized plans as defined in Bureau of Insurance Rule Chapter 750 in the individual market.
4. The amendment repeals the community rating law for small group health plans effective January 1, 2010 and enacts in its place provisions governing the rating of small group health plans based on a model act from the National Association of Insurance Commissioners.
5. The amendment allows a health maintenance organization to offer health plans that do not comply with geographic access standards if the health maintenance organization also offers health plans that comply with those access standards or offers a fee-for-service health plan.
6. The amendment repeals the savings offset payment used to fund subsidies for individuals, sole proprietors and employees of small employers enrolled in the Dirigo Health Program with an effective date of July 1, 2008 or the effective date of the Act, whichever occurs later.
7. The amendment requires that Dirigo Health submit quarterly reports on information regarding enrollment in the Dirigo Health Program.
8. The amendment corrects cross-references to reflect the repeal of the savings offset payment and adds an appropriations and allocations section.

Senate Amendment "A" to Committee Amendment "A" was not adopted.

Senate Amendment "A" (S-641)

This amendment strikes Committee Amendment "B" and instead does the following.

1. The amendment repeals the guaranteed issuance and community rating law for individual health plans effective April 1, 2009 and allows carriers to treat their pre-April 1, 2009 book of business separately from their post-April 1, 2009 book of business. It makes changes to the continuity of coverage laws to allow underwriting when someone switches carriers in the individual market.
2. The amendment creates the Comprehensive Chronic Care Pool Association. The purpose of the association is to spread the cost of individuals that require chronic care among all health insurers. The amendment funds the chronic care pool through an assessment on insurers. An individual insured through the chronic care pool may be charged a premium up to 150% of the average premium rates charged by carriers for similar health insurance plans. The amendment requires the State to submit an application to the Federal Government for federal assistance to create a chronic care pool.
3. The amendment also removes the requirement that carriers offer standardized plans as defined in Bureau of Insurance Rule Chapter 750 in the individual market.
4. The amendment repeals the community rating law for small group health plans effective January 1, 2010 and enacts in its place provisions governing the rating of small group health plans based on a model act from the National Association of Insurance Commissioners.
5. The amendment allows a health maintenance organization to offer health plans that do not comply with geographic access standards if the health maintenance organization also offers health plans that comply with those access standards or offers a fee-for-service health plan.

Joint Standing Committee on Insurance and Financial Services

6. The amendment repeals the savings offset payment used to fund subsidies for individuals, sole proprietors and employees of small employers enrolled in the Dirigo Health Program with an effective date of July 1, 2008 or the effective date of the Act, whichever occurs later.
7. The amendment requires that Dirigo Health submit quarterly reports on information regarding enrollment in the Dirigo Health Program.
8. The amendment corrects cross-references to reflect the repeal of the savings offset payment.

Senate Amendment "A" to Committee Amendment "B" was not adopted.

Senate Amendment "B" (S-637)

This amendment strikes Committee Amendment "A" and instead does the following.

1. This amendment establishes a reinsurance pool for the individual health insurance market and is modeled on a similar reinsurance pool in Idaho. The amendment requires a maximum assessment of \$2 per person covered under health insurance policies.
2. The amendment also expands the community rating bands in the individual health insurance market for policies issued or renewed on or after January 1, 2010. The amendment prohibits a carrier from varying the premium rate due to geographic area. In addition, this amendment provides that the premium rate may not deviate above or below the community rate filed by the carrier by more than 40% on the basis of age, health status, occupation or industry or tobacco use. Under current law, a carrier may not vary the premium rate on the basis of health status. The amendment provides that a carrier that offered individual health plans prior to January 1, 2010 may close its individual book of business sold prior to January 1, 2010 and may establish a separate community rate for individuals applying for coverage under an individual health plan after January 1, 2010.
3. The amendment repeals the savings offset payment used to fund subsidies for individuals, sole proprietors and employees of small employers enrolled in the Dirigo Health Program, with an effective date of July 1, 2008 or the effective date of the Act, whichever occurs later.
4. The amendment requires that Dirigo Health submit quarterly reports on information regarding enrollment in the Dirigo Health Program.
5. The amendment corrects cross-references to reflect the repeal of the savings offset payment and adds an appropriations and allocations section.

Senate Amendment "B" to Committee Amendment "A" was not adopted.

Senate Amendment "B" (S-642)

This amendment strikes Committee Amendment "B" and instead does the following.

1. This amendment establishes a reinsurance pool for the individual health insurance market and is modeled on a similar reinsurance pool in Idaho. The amendment requires a maximum assessment of \$2 per person covered under health insurance policies.
2. The amendment also expands the community rating bands in the individual health insurance market for policies issued or renewed on or after January 1, 2010. The amendment prohibits a carrier from varying the premium rate due to geographic area. In addition, this amendment provides that the premium rate may not deviate above or below the community rate filed by the carrier by more than 40% on the basis of age, health status, occupation or industry or tobacco use. Under current law, a carrier may not vary the premium rate on the basis of health status. The

Joint Standing Committee on Insurance and Financial Services

amendment provides that a carrier that offered individual health plans prior to January 1, 2010 may close its individual book of business sold prior to January 1, 2010 and may establish a separate community rate for individuals applying for coverage under an individual health plan after January 1, 2010.

3. The amendment repeals the savings offset payment used to fund subsidies for individuals, sole proprietors and employees of small employers enrolled in the Dirigo Health Program, with an effective date of July 1, 2008 or the effective date of the Act, whichever occurs later.

4. The amendment requires that Dirigo Health submit quarterly reports on information regarding enrollment in the Dirigo Health Program.

5. The amendment corrects cross-references to reflect the repeal of the savings offset payment.

Senate Amendment "B" to Committee Amendment "B" was not adopted.

House Amendment "B" (H-1013)

This amendment removes the tax on tobacco products as proposed in the bill and Committee Amendment "A," as a source of funding for the Dirigo Health program.

House Amendment "C" (H-1014)

This amendment makes the following changes. It reduces the percentage of revenue that must be transferred from the Dirigo Health Enterprise Fund to the Maine Individual Reinsurance Association from 20% to 17.6%. The intended effect of this reduction is to reduce the amount in the Reserve Association Reserve by approximately \$3,400,000.

Part F increases the excise tax on malt beverages, except for manufacturers of less than 100,000 barrels annually, from 25 cents per gallon to 54 cents per gallon. Part F also increases, except for manufacturers of less than 20,000 gallons annually, the excise tax on wine manufactured or distributed in this State from 30 cents per gallon to 65 cents per gallon.

Part G imposes a new tax on syrup used to make soft drinks at the rate of \$4 per gallon of syrup and 42 cents per gallon of bottled soft drinks and soft drinks produced using powder.

Part H changes the rate of taxation for tobacco products as follows. The rate of tax on tobacco products intended for smoking, except for cigarettes, little cigars and roll-your-own tobacco, is increased from 20% of the wholesale price to 25% of the wholesale price. The tax on little cigars and roll-your-own tobacco is taxed at a rate equivalent to a tax on cigarettes of \$2.00 per pack and the tax on smokeless tobacco is changed from an ad valorem rate of 78% of the wholesale price to a weight-based tax of \$2.02 per ounce, with a minimum tax of \$2.02 per package.

Part I transfers \$3,400,000 from the Fund for a Healthy Maine to the Dirigo Health Enterprise Fund.

Part J requires the Joint Standing Committee on Health and Human Services to meet and consider the structure, accountability and appropriate level of legislative and independent oversight of the Fund for a Healthy Maine and submit a report to the Joint Standing Committee on Appropriations and Financial Affairs. This Part also allows a bill to be submitted to the 124th Legislature regarding the findings of the Joint Standing Committee on Health and Human Services.

Part K adds an appropriations and allocations section.

House Amendment "C" was not adopted.

Senate Amendment "C" (S-640)

Joint Standing Committee on Insurance and Financial Services

Senate Amendment "C" to Committee Amendment "A" makes the following changes.

It reduces the percentage of revenue that must be transferred from the Dirigo Health Enterprise Fund to the Maine Individual Reinsurance Association from 20% to 18.8% and delays the transfer for one year.

Part F increases the excise tax on malt beverages, except for manufacturers of less than 100,000 barrels annually, from 25 cents per gallon to 54 cents per gallon. Part F also increases, except for manufacturers of less than 20,000 gallons annually, the excise tax on wine manufactured or distributed in this State from 30 cents per gallon to 65 cents per gallon.

Part G imposes a new tax on syrup used to make soft drinks at the rate of \$4 per gallon of syrup and 42 cents per gallon of bottled soft drinks and soft drinks produced using powder.

Part H transfers \$5,000,000 from the Fund for a Healthy Maine to the Dirigo Health Enterprise Fund and requires the State Budget Officer to adjust the amount of funding for each program receiving funds from the Fund for a Healthy Maine. The part also authorizes the State Controller to provide an advance of up to \$3,600,000 to the Dirigo Health Enterprise Fund. The funds must be returned to the General Fund no later than June 30, 2009.

Part I requires the Joint Standing Committee on Health and Human Services to meet and consider the structure, accountability and appropriate level of legislative and independent oversight of the Fund for a Healthy Maine and submit a report to the Joint Standing Committee on Appropriations and Financial Affairs.

Part J authorizes the Superintendent of Insurance to approve pilot projects to offer health insurance products for people under 30 years of age. The superintendent is authorized to approve pilot projects that do not comply with statutory and regulatory requirements for certain mandated benefits, geographic access standards and standard plans if determined to be appropriate to establish affordable and attractive products.

Part K adds an appropriations and allocations section.

House Amendment "A" (H-1012)

House Amendment "A" to Committee Amendment "A" permits out-of-state health insurers, which are referred to as regional insurers in the amendment, to offer their individual or group health plans for sale in this State if certain requirements of Maine law are met, including minimum capital and surplus and reserve, disclosure and reporting and grievance procedures. The amendment defines the out-of-state health insurers as those insurers authorized to transact individual or small group health insurance in one of the following states or jurisdictions: Connecticut, Massachusetts, New Hampshire, Rhode Island, Vermont, Delaware, Maryland, New Jersey, New York, Pennsylvania or the District of Columbia. It also permits Maine health insurers to offer individual health plans of out-of-state parent or subsidiary health insurers if similar requirements are met. If out-of-state health plans are offered for sale in this State, the amendment requires that prospective enrollees be provided adequate disclosure of how the plans differ from Maine health plans in a format approved by the Superintendent of Insurance.

House Amendment "A" to Committee Amendment "A" was not adopted.

House Amendment "A" (H-1015)

This amendment requires the Joint Standing Committee on Health and Human Services to meet and consider the structure, accountability and appropriate level of legislative and independent oversight of the Fund for a Healthy Maine and submit a report to the Joint Standing Committee on Appropriations and Financial Affairs. This amendment also allows a bill to be submitted to the 124th Legislature regarding the findings of the Joint Standing Committee on Health and Human Services.

House Amendment "A" was not adopted.

Joint Standing Committee on Insurance and Financial Services

House Amendment "B" (H-1013)

This amendment removes the tax on tobacco products as proposed in the bill and Committee Amendment "A," as a source of funding for the Dirigo Health program.

Senate Amendment "A" (S-644)

This amendment strikes out the pilot project provision from the bill.

Enacted Law Summary

Public Law 2007, chapter 629 makes changes to the laws governing individual health insurance and to the laws relating to funding for the Dirigo Health Program.

Part A establishes a reinsurance association for the individual health insurance market, without placing individuals in a separate risk association or providing coverage under different health plans than those available in the individual market. Beginning July 1, 2009, insurance carriers offering individual health plans that have a medical loss ratio of at least 70% must be reimbursed for 50% of the aggregate claims paid between \$75,000 and \$250,000 for an individual's covered benefits on a state fiscal year basis. Funds to support the reinsurance association will be transferred from the Dirigo Health Enterprise Fund from revenues from the surcharge on paid claims and tax increases on beer and wine and soft drinks and syrup established in the law.

Part A permits individual premium rates to vary on the basis of age and geographic area in combination to a ratio of 2.5 to 1 from the highest premium rate to the lowest premium rate; however, the law preserves the requirement that a carrier may not vary rates on the basis of geographic area alone by more than 1.5 times the lowest individual rate charged by the carrier. Part A also allows a carrier that offered individual health plans prior to July 1, 2009 to close its book of business and establish a separate community rate for those individuals applying for coverage under an individual health plan on or after July 1, 2009. A carrier must merge the closed book with its open book by July 1, 2012 or when the number of subscribers remaining in a carrier's closed individual book of business is less than 25 percent of the carrier's individual health plan subscriber total as of June 30, 2009, whichever is earlier. The law requires that the Bureau of Insurance, Consumer Health Care Division provide assistance to individuals who are in the closed book of business as a result of the rating provisions in the bill to facilitate the transition to alternative health coverage in the open book of business. In addition, the Superintendent of Insurance shall develop rules regarding notice requirements and experience pooling in a carrier's open book of business to ensure the availability of affordable options for individuals transitioning from the closed book of business.

Part A also requires the Superintendent of Insurance to report yearly to the Legislature the impact of changes to the rating provisions in the Maine Revised Statutes, Title 24-A, section 2736-C and the establishment of the Maine Individual Reinsurance Association pursuant to Title 24-A, chapter 54, the total number of individuals enrolled in any health insurance product regulated by the Department of Professional and Financial Regulation, Bureau of Insurance and the numbers of previously uninsured individuals who have enrolled in any health insurance product regulated by the Bureau of Insurance.

Part B removes limitations on the ability of Dirigo Health to adjust the subsidy to individuals to ensure affordability.

Part C makes permanent the temporary voluntary cost containment targets on hospital consolidated operating margins and cost increases, which were initiated in Public Law 2003, chapter 469, Part F, section 1 and were reauthorized in Public Law 2005, chapter 394, section 4.

Part D makes changes to the funding for the Dirigo Health Program. The Part repeals the savings offset payment and replaces it with a health access surcharge of 1.8% on paid claims. Part D also requires that all of the revenues from the surcharge and the tax increases on beer and wine and soft drinks and syrup be credited to the Dirigo Health Enterprise Fund to support both the Dirigo Health Program and the Maine Individual Reinsurance Association. 18.8 % of the monthly deposits received by the Dirigo Health Enterprise Fund must be transferred to the reinsurance

Joint Standing Committee on Insurance and Financial Services

association.

Part E increases the excise tax on malt beverages, except for manufacturers of less than 100,000 barrels annually, from 25 cents per gallon to 54 cents per gallon. Part E also increases, except for manufacturers of less than 20,000 gallons annually, the excise tax on wine manufactured or distributed in this State from 30 cents per gallon to 65 cents per gallon. The revenue from the tax increases on beer and wine must be transferred on a monthly basis to the Dirigo Health Enterprise Fund. Part E takes effect August 1, 2008.

Part F imposes a new tax on syrup used to make soft drinks at the rate of \$4 per gallon of syrup and 42 cents per gallon of bottled soft drinks and soft drinks produced using powder. The revenue from the tax must be transferred on a monthly basis to the Dirigo Health Enterprise Fund. Part F takes effect August 1, 2008.

Part G transfers \$5,000,000 from the Fund for a Healthy Maine to the Dirigo Health Enterprise Fund and requires the State Budget Officer to adjust the amount of funding for each program receiving funds from the Fund for a Healthy Maine. Part G also authorizes the State Controller to provide an advance of up to \$3,600,000 to the Dirigo Health Enterprise Fund. The funds must be returned to the General Fund no later than June 30, 2009.

Part H requires the Joint Standing Committee on Health and Human Services to meet and consider the structure, accountability and appropriate level of legislative and independent oversight of the Fund for a Healthy Maine and submit a report to the Joint Standing Committee on Appropriations and Financial Affairs by October 1, 2008.

Part I authorizes the Superintendent of Insurance to approve pilot projects to offer health insurance products for people under 30 years of age. The superintendent is authorized to approve pilot projects that do not comply with statutory and regulatory requirements for certain mandated benefits, geographic access standards and standard plans if determined to be appropriate to establish affordable and attractive products.

Parts J and K add appropriations and allocations sections.

Part L requires that Dirigo Health submit quarterly reports on information regarding enrollment in the Dirigo Health Program. This Part also repeals the Dirigo Health Risk Pool.

Part M corrects cross-references.