

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

STATE OF MAINE
124TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during the First Regular Session of the 124th Maine Legislature coming from the

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

July 2009

STAFF:

COLLEEN MCCARTHY REID
LEGISLATIVE ANALYST
OFFICE OF POLICY AND LEGAL ANALYSIS
13 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1670

MEMBERS:

SEN. PETER B. BOWMAN, CHAIR
SEN. JUSTIN L. ALFOND
SEN. EARLE L. MCCORMICK

REP. SHARON ANGLIN TREAT, CHAIR
REP. CHARLES R. PRIEST
REP. PAULETTE G. BEAUDOIN
REP. HENRY E.M. BECK
REP. ADAM GOODE
REP. EDWARD P. LEGG
REP. TERRY K. MORRISON
REP. WESLEY E. RICHARDSON
REP. WINDOL C. WEAVER
REP. LESLIE T. FOSSEL

STATE OF MAINE

124TH LEGISLATURE
FIRST REGULAR SESSION



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 First Regular Session of the 124th 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:

CARRIED OVER.....	Carried over to a subsequent session of the Legislature
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 First Regular Session of the 124th Legislature is September 12, 2009. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

Joint Standing Committee on Insurance and Financial Services

Association, a high-risk pool for the individual health insurance market. Part A repeals the guaranteed issuance requirement for individual health insurance; the high-risk pool will become the mechanism to provide guaranteed access to individual coverage. The Part requires insurers that provide medical insurance as defined in the bill to pay an assessment of up to \$10 per covered person per month to support the costs of the high-risk pool and subsidy costs for the Dirigo Health Program.

Part A of the bill also authorizes the offering of individual health plans for young adults without the prior approval of the Superintendent of Insurance.

Part B of the bill requires that Dirigo Health apply an asset limit that is 3 times the limit applied by MaineCare to determine eligibility for subsidies in addition to the requirement that an individual's income be under 300% of the federal poverty level. Part B requires Dirigo Health enrollees to complete health assessments as a condition of receiving subsidies. Part B also repeals the savings offset payment as the source of funding for subsidies for the Dirigo Health Program and instead requires the Comprehensive Health Insurance Risk Pool Association to transfer 50% of revenues from insurer assessments to support subsidies.

Part C directs the Office of the Revisor of Statutes to include in the errors bill any sections necessary to correct cross-references to provisions of law repealed in this Act.

Committee Amendment "A" (H-465)

This amendment, which is the minority report of the committee, does the following.

1. The amendment requires that the high-risk pool association develop a standardized health questionnaire to be filled out by individuals to determine eligibility for the high-risk pool. The amendment reduces the maximum assessment to be paid by insurers to support the high-risk pool to \$4 and removes the requirement to transfer 50% of the assessment to the Dirigo Health program.
2. The amendment removes Part B of the bill.
3. This amendment corrects cross-references necessitated by changes made in Part A of the bill as amended by this amendment.

Committee Amendment "A" was not adopted.

LD 1264

An Act To Stabilize Funding and Enable DirigoChoice To Reach More Uninsured

PUBLIC 359

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT BOWMAN	OTP-AM MAJ OTP-AM MIN	H-490

This bill requires the Board of Trustees of Dirigo Health to reach more uninsured and underinsured individuals through a more affordable product and to report to the Joint Standing Committee on Insurance and Financial Services regarding changes to the Dirigo Health Program by January 1, 2010. The bill replaces the savings offset payment, currently assessed at a variable rate up to 4% of paid claims determined each year depending on savings, with a fixed 2.14% access payment on paid claims paid monthly.

Committee Amendment "A" (H-490)

This amendment is the majority report of the committee. The amendment clarifies that access payments apply to claims paid on or after September 1, 2009 and establishes the payment date as 30 days after the end of each month.

Joint Standing Committee on Insurance and Financial Services

The amendment also establishes an effective date of October 1, 2009 and corrects a technical error.

Committee Amendment "B" (H-491)

This amendment is the minority report of the committee. After the first year the access payment is implemented, it is reduced by 25% the 2nd year, 50% the 3rd year, 75% the 4th year and then eliminated. In addition to the duties included in the bill, the amendment directs the Board of Trustees of Dirigo Health to establish an asset test for eligibility, to require any new enrollees after the redesign of the DirigoChoice product to be uninsured before enrolling and to seek adequate federal funding to support the Dirigo Health Program and the Maine Individual Reinsurance Association.

The amendment expresses the Legislature's intent that the funding provided to Dirigo Health pursuant to the Maine Revised Statutes, Title 24-A, section 6917 be supplemented by the General Fund to maintain enrollment at the same level as on the effective date of the bill. The amendment also establishes an effective date of October 1, 2009. The amendment also adds an appropriations and allocations section.

Committee Amendment "B" was not adopted.

Senate Amendment "B" To Committee Amendment "A" (S-293)

This amendment directs the Board of Trustees of Dirigo Health to change Dirigo Health effective June 30, 2010 in the following ways:

1. Adopt sliding scale vouchers to provide households with access to a range of approved insurance products;
2. Deny subsidies to households with assets exceeding \$50,000;
3. Enroll as new members only those who have been uninsured for at least 6 months;
4. Allow carriers to impose a 6-month waiting period for preexisting conditions; and
5. Adopt policies to offer more affordable products, spread subsidies over more households, emphasize preventive care and disease management, improve population health, reduce costs in the State's health care market and maximize federal initiatives.

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

Senate Amendment "A" To Committee Amendment "A" (S-288)

This amendment removes the effective date of September 1, 2009 and clarifies that access payments apply to claims paid for plan years beginning on or after the date the section takes effect.

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

Enacted Law Summary

Public Law 2009, chapter 359 replaces the savings offset payment, currently assessed at a variable rate up to 4% of paid claims determined each year depending on savings, with a fixed 2.14% access payment on paid claims paid monthly. The law clarifies that access payments apply to claims paid on or after September 1, 2009 and establishes the payment date as 30 days after the end of each month.

Public Law 2009, chapter 359 also requires the Board of Trustees of Dirigo Health to consider making changes to focus on coverage of uninsured and underinsured individuals through a more affordable DirigoChoice product and to report to the Joint Standing Committee on Insurance and Financial Services regarding those changes by January 1, 2010.