

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

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

July 2011

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STATE OF MAINE
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LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD 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 LD is noted to the right of the LD title. The following describes the various final actions.

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; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public Law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 125th Legislature is September 28, 2011. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Insurance and Financial Services

LD 1397

An Act To Establish a Single-payor Health Care System To Be Effective in 2017

MAJORITY (ONTP) REPORT

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PRIEST GERZOFSKY	ONTP MAJ OTP-AM MIN	

This bill establishes a universal access health care system that offers a choice of coverage through organized delivery systems or through a managed care system operated by the Maine Health Care Agency. The system becomes effective January 1, 2017 and is contingent on the approval of a waiver from the United States Department of Health and Human Services in accordance with the federal Patient Protection and Affordable Care Act.

1. Part A of the bill does the following.

It establishes the Maine Health Care Plan to provide security through high-quality, affordable health care for the people of the State. The plan will become effective and binding on the State upon the approval of a waiver from the United States Department of Health and Human Services. All residents and nonresidents who maintain significant contact with the State are eligible for covered health care services through the Maine Health Care Plan. The plan is funded by the Maine Health Care Trust Fund, a dedicated fund receiving payments from employers, individuals and plan members. The Maine Health Care Plan must conform to the minimum essential benefits required under federal law, but may require additional benefits within existing resources. Health care services under the Maine Health Care Plan are provided by participating providers in organized delivery systems and through the open plan, which is available to all providers. The plan is supplemental to other health care programs that may be available to plan members, such as Medicare, Medicaid, the federal Civilian Health and Medical Program of the Uniformed Services, the federal Indian Health Care Improvement Act and workers' compensation.

It establishes the Maine Health Care Agency to administer and oversee the Maine Health Care Plan, to act under the direction of the Maine Health Care Council and to administer and oversee the Maine Health Care Trust Fund. The Maine Health Care Council is the decision-making and directing council for the agency and is composed of three full-time appointees.

It directs the Maine Health Care Agency to establish programs to ensure quality, affordability, efficiency of care and health planning. The agency health planning program includes the establishment of global budgets for health care expenditures for the State and for institutions and hospitals. The health planning program also encompasses the certificate of need responsibilities of the agency pursuant to the Maine Revised Statutes, Title 22, chapter 103-A and the health planning responsibilities pursuant to Title 2, chapter 5.

It contains a directive to the State Controller to advance \$600,000 to the Maine Health Care Trust Fund on the effective date, January 1, 2017. This amount must be repaid by the Maine Health Care Agency by June 30, 2018.

2. Part B of the bill establishes the Maine Health Care Plan Transition Advisory Committee. Composed of 20 members, appointed by the Governor, President of the Senate and Speaker of the House of Representatives and subject to confirmation by the Legislature, the committee is charged with holding public hearings, soliciting public comments and advising the Maine Health Care Agency on the transition from the current health care system to the Maine Health Care Plan. Members of the committee serve without compensation but may be reimbursed for their expenses. The committee is directed to report to the Governor and to the Legislature every six months beginning July 1, 2017. The committee completes its work when the Maine Health Care Plan becomes effective.

3. Part C of the bill establishes the salaries of the members of the Maine Health Care Council and the executive

Joint Standing Committee on Insurance and Financial Services

director of the Maine Health Care Agency.

- 4. Part D of the bill prohibits the sale on the commercial market of health insurance policies and contracts that duplicate the coverage provided by the Maine Health Care Plan. It allows the sale of health care policies and contracts that do not duplicate and are supplemental to the coverage of the Maine Health Care Plan.
 - 5. Part E of the bill directs the Maine Health Care Agency to ensure employment retraining for administrative workers employed by insurers and providers who are displaced by the transition to the Maine Health Care Plan. It directs the Maine Health Care Agency to study the delivery and financing of long-term care services to plan members. Consultation is required with the Maine Health Care Plan Transition Advisory Committee, representatives of consumers and potential consumers of long-term care services and representatives of providers of long-term care services, employers, employees and the public. A report by the committee to the Legislature is due January 1, 2018.
- The Maine Health Care Agency is directed to study the provision of health care services under the MaineCare, Medicaid and Medicare programs, waivers, coordination of benefit delivery and compensation, reorganization of State Government necessary to accomplish the objectives of the Maine Health Care Agency and legislation needed to carry out the purposes of the bill. The agency is directed to apply for all waivers required to coordinate the benefits of the Maine Health Care Plan and the Medicaid and Medicare programs. A report by the agency is due to the Legislature by March 1, 2017.
- 6. Part F of the bill requires the Maine Health Care Agency to submit a request for a state waiver pursuant to federal law no later than March 1, 2017.
 - 7. Part G clarifies that throughout the Maine Revised Statutes, the words "payer" and "payor" have the same meaning.
 - 8. Part H establishes a 9% premium assessment on a resident's or eligible nonresident's federal adjusted gross income and dedicates that revenue to the Maine Health Care Trust Fund, except that those persons with federal adjusted gross incomes at or under 300% of the federal poverty level pay progressively lower premium assessments. Part H also defines a process for premium adjustment requests by the agency in order to operate in a fiscally responsible manner.

Committee Amendment "A" (H-431)

This amendment is the minority report. The amendment replaces the bill and changes it into a resolve. The amendment establishes the Maine Single-payor Health Care Plan Advisory Committee to advise the Legislature on the design and implementation of a single-payor health care plan in the State that is in compliance with the federal Patient Protection and Affordable Care Act.

Committee Amendment "A" was not adopted.

LD 1436 An Act To Reform Maine's Health Insurance Laws

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCKANE WHITTEMORE	ONTP	

Part A of this bill makes the following changes to the community rating laws for individual and small group health insurance: