

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1041

H.P. 797

House of Representatives, February 20, 2001

An Act to Provide Universal Health Insurance Coverage.

Reference to the Committee on Health and Human Services suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative TWOMEY of Biddeford.

Cosponsored by Representatives: DORR of Camden, DUDLEY of Portland, FULLER of Manchester, HUTTON of Bowdoinham, QUINT of Portland, VOLENIK of Brooklin.

2 by the Maine Health Care Agency pursuant to section 372,
3 subsection 4, paragraph A. A violation of this section
4 constitutes an unfair and deceptive trade practice under section
5 2152.

6 2. Allowed conduct. A person, insurer, health maintenance
7 organization or nonprofit hospital or medical service
8 organization may sell or offer for sale in the State a health
9 insurance policy or contract or a health care contract or plan
10 that offers coverage and benefits that are supplemental to and do
11 not duplicate covered health care benefits offered by the Maine
12 Health Care Plan under Title 22, section 372, subsection 3.

14 **Sec. D-2. Effective date.** This Part takes effect July 1, 2002
15 and applies to all policies, contracts and plans delivered or
16 issued for delivery on or after July 1, 2002. For purposes of
17 this section, all contracts are deemed to be renewed no later
18 than the next yearly anniversary of the contract date.

20 **PART E**

22 **Sec. E-1. 36 MRSA §4365, 2nd ¶,** as amended by PL 1997, c. 643,
24 Pt. T, §3 and affected by §6, and affected by c. 750, Pt. D, §1,
25 is further amended to read:

26 Beginning November 1, 1997, as a public health measure, the
27 tax imposed under this section is 37 mills per cigarette.
28 Beginning December 1, 2001, the tax imposed under this section is
29 39.5 mills per cigarette.

32 **Sec. E-2. 36 MRSA §4365-E** is enacted to read:

34 **§4365-E. Rate of tax after November 30, 2001**

36 Cigarettes stamped at the rate of 37.0 mills per cigarette
37 and held for resale after November 30, 2001 are subject to tax at
38 the rate of 39.5 mills per cigarette.

40 A person holding cigarettes for resale is liable for the
41 difference between the tax rate of 39.5 mills per cigarette and
42 the tax rate of 37.0 mills per cigarette in effect before
43 December 1, 2001. Stamps indicating payment of the tax imposed by
44 this section must be affixed to all packages of cigarettes held
45 for resale as of December 1, 2001, except that cigarettes held in
46 vending machines as of that date do not require that stamp.

48 Notwithstanding any other provision of this chapter, it is
49 presumed that all cigarette vending machines are filled to
50 capacity on December 1, 2001, and the tax imposed by this section
51 must be reported on that basis. A credit against this inventory
52 tax must be allowed for cigarettes stamped at the 39.5 mill rate
53 placed in vending machines before December 1, 2001.

2 Payment of the tax imposed by this section must be made to
3 the State Tax Assessor before February 15, 2002, accompanied by
4 forms prescribed by the State Tax Assessor and credited to the
5 Maine Health Care Trust Fund.

6
7
8 **PART F**

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10 **Sec. F-1. Employment retraining.** The Maine Health Care Agency
11 shall coordinate with the Department of Economic and Community
12 Development, the Department of Labor and private industry
13 councils to ensure that employment retraining services are
14 available for administrative workers employed by insurers and
15 providers who are displaced due to the transition to the Maine
16 Health Care Plan.

17
18 **Sec. F-2. Delivery of long-term health care services.** The Maine
19 Health Care Agency shall study the delivery of long-term health
20 care services to plan members. The study must address the best
21 and most efficient manner of delivery of health care services to
22 individuals needing long-term care and funding sources for
23 long-term care. In undertaking the study, the agency shall
24 consult with the Maine Health Care Plan Transition Advisory
25 Committee, the Long-term Care Steering Committee established
26 pursuant to the Maine Revised Statutes, Title 22, section 5107-B,
27 representatives of consumers and potential consumers of long-term
28 care services, representatives of providers of long-term care
29 services and representatives of employers, employees and the
30 public. The agency shall report to the Legislature on or before
31 January 1, 2003 and shall include suggested legislation in the
32 report.

33
34 **Sec. F-3. Provision of health care services.** The Maine Health Care
35 Agency shall study the provision of health care services under
36 the Medicaid and Medicare programs. The study must consider the
37 waivers necessary to coordinate the Medicaid and Medicare
38 programs with the Maine Health Care Plan, the method of
39 coordination of benefit delivery and compensation, reorganization
40 of State Government necessary to achieve the objectives of the
41 agency and any other changes in law needed to carry out the
42 purposes of the Maine Revised Statutes, Title 22, chapter 106.
43 The agency shall apply for all waivers required to coordinate the
44 benefits of the Maine Health Care Plan and the Medicaid and
45 Medicare programs. The agency shall report to the Legislature on
46 or before March 1, 2002 and shall include suggested legislation
47 in the report.
48

SUMMARY

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4 This bill establishes a universal access health care system
6 that offers choice of coverage through organized delivery systems
8 or through a managed care system operated by the Maine Health
Care Agency and channels all health care dollars through a
dedicated trust fund.

10 1. Part A of the bill does the following.

12 It establishes the Maine Health Care Plan to provide
14 security through high-quality, affordable health care for the
16 people of the State. All residents and nonresidents who maintain
18 significant contact with the State are eligible for covered
20 health care services through the Maine Health Care Plan. The
22 plan is funded by the Maine Health Care Trust Fund, a dedicated
24 fund receiving payments from employers, individuals and plan
26 members and, after fiscal year 2001, from the 5¢ per package
28 increase in the cigarette tax. The Maine Health Care Plan
30 provides a range of benefits, including hospital services, health
32 care services from participating providers, laboratories and
34 imaging procedures, home health services, rehabilitative
services, prescription drugs and devices, mental health services,
substance abuse treatment services, dental services, vision
appliances, medical supplies and equipment and hospice care.
Health care services through 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.

36 It establishes the Maine Health Care Agency to administer
38 and oversee the Maine Health Care Plan, to act under the
40 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 3 full-time appointees.

42 It directs the Maine Health Care Agency to establish
44 programs to ensure quality, affordability, efficiency of care and
46 health planning. The agency health planning program includes the
48 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, the health planning
responsibilities pursuant to the Maine Revised Statutes, Title

22, chapter 103, data collection.

2

4 It contains a directive to the State Controller to advance
\$400,000 to the Maine Health Care Trust Fund on the effective
6 date, January 1, 2002. This amount must be repaid from the fund
by June 30, 2003.

8

10 2. Part B of the bill establishes the Maine Health Care
Plan Transition Advisory Committee. Composed of 20 members,
appointed and subject to confirmation, the committee is charged
12 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.
14 Members of the committee serve without compensation but may be
reimbursed for their expenses. The committee is directed to
16 report to the Governor and to the Legislature on July 1, 2001,
January 1, 2002, July 1, 2002 and December 31, 2002. The
18 committee completes its work on December 31, 2002.

20

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

24

26 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
28 the sale of health care policies and contracts that do not
duplicate and are supplemental to the coverage of the Maine
Health Care Plan.

30

32 5. Part E of the bill imposes a 5¢ per package increase in
the cigarette tax beginning December 1, 2001. Proceeds from the
cigarette tax increase are paid to the Maine Health Care Trust
34 Fund.

36

38 6. Part F 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
40 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
42 required with the Maine Health Care Plan Transition Advisory
Committee, representatives of consumers and potential consumers
44 of long-term care services and representatives of providers of
long-term care services, employers, employees and the public. A
46 report to the Legislature is due January 1, 2003.

2 The Maine Health Care Agency is directed to study the
3 provision of health care services under the Medicaid and Medicare
4 programs, waivers, coordination of benefit delivery and
5 compensation, reorganization of State Government necessary to
6 accomplish the objectives of the Maine Health Care Agency and
7 legislation needed to carry out the purposes of the bill. The
8 agency is directed to apply for all waivers required to
9 coordinate the benefits of the Maine Health Care Plan and the
10 Medicaid and Medicare programs. A report is due to the
11 Legislature by March 1, 2002.

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