

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1638

S.P. 519

In Senate, March 13, 2001

An Act to Reform Health Care in the State.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MILLS of Somerset.

2 rule by the superintendent under section 2808-B, subsection 8.
3 The minimum standard plan must include the following terms:

4 A. The plan must be offered by all carriers offering small
5 group health plans in the State; and

6
7 B. The plan's premium rate may not exceed 10% of the
8 State's average annual wage.

10 Notwithstanding any other provision of law, the commission has
11 the authority to define a minimum standard small group health
12 plan that does not include certain or all health benefits
13 mandated by state law if the exclusion of the mandated benefit or
14 benefits is necessary to meet the requirement of paragraph B.

16 PART E

18 **Sec. E-1. 22 MRSA §1578-B, sub-§2,** as enacted by PL 1987, c.
20 687, is amended to read:

22 **2. Prohibition.** Except as provided in subsections 3 and 4,
23 no student or school employee is allowed to use tobacco in the
24 buildings or on the grounds of any elementary or secondary school
25 ~~while-school-is-in-session.~~

26 **Sec. E-2. 22 MRSA §1578-B, sub-§5,** as amended by PL 1993, c.
28 342, §4 and affected by §9, is further amended to read:

30 **5. Public.** Tobacco use by any member of the public, other
31 than an employee or student, in school buildings and on school
32 grounds is ~~governed-by-chapter-262~~ prohibited.

34 SUMMARY

36 This bill does the following.

38
39 In Part A, the bill authorizes health insurance carriers to
40 vary premium rates up to 10% above or below the community rate
41 filed by a carrier based on age and eliminates the ability of
42 carriers to vary the premium rate based on smoking status,
43 geographic area or occupation and industry for individual and
44 small group health plans. The bill also authorizes a carrier to
45 vary the premium rate up to 30% above or below the community rate
46 based on the ability of an individual to maintain a healthy
47 lifestyle. The bill identifies the factors that may be
48 considered by a carrier in determining whether an individual
maintains a healthy lifestyle as smoking status, obesity, alcohol

2 or substance abuse and the management of chronic conditions such
as diabetes and high blood pressure.

4 In Part B, the bill directs the Department of Human Services
to apply for a waiver from the federal Department of Health and
6 Human Services, Health Care Financing Administration to allow
comprehensive coverage under Medicaid for residents of the State
8 with an income up to 100% of the official federal nonfarm poverty
line.

10 In Part C, the bill establishes a tax credit for employers
12 that provide health benefits to their employees and their
dependents. The bill allows a credit of 10% of the amount paid
14 for health benefits in excess of \$1,000 for each qualifying
employee under a health benefit plan for the taxable year. The
16 bill defines a "qualifying employee" as one whose hourly wage is
below 1/50th of the State's average annual weekly wage.

18 In Part D, the bill establishes the Standard Small Group
20 Health Plan Commission and directs the commission to define by
rule a minimum standard small group health plan. The bill
22 requires that the plan's premium not exceed 10% of the State's
average annual wage.

24 In Part E, the bill bans smoking and other tobacco use by
26 students, school employees and the public in school buildings and
on school grounds.