

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Create a Maine-based Independent Nonprofit Health Insurance Company

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, current market conditions are having a negative impact on the affordability and availability of health insurance coverage for residents of this State; and

Whereas, the individual health insurance market appears to be monopolized by one carrier, and the health care delivery system in this State is being consolidated; and

Whereas, health care costs in this State continue to be the highest in New England and among the highest in the Nation based on various cost indicators; and

Whereas, recent proposed and approved premium rate increases in the individual and small group health insurance markets may force currently insured persons to drop their health insurance coverage on the basis of cost; and

Whereas, the creation of a nonprofit health plan by the State may bring greater competition and choices for health insurance consumers in this State; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA §6910, sub-§2, as amended by PL 2005, c. 400, Pt. C, §8, is further amended to read:

2. Legislative approval of nonprofit health care plan. ~~If health insurance carriers do not apply to offer and deliver Dirigo Health Program coverage, the~~The board may have Dirigo Health~~shall provide access to health insurance under Dirigo Health by proposing the establishment of~~establishing a nonprofit health care plan organized under Title 13-B and authorized pursuant to Title 24, chapter 19 or by proposing the expansion of an existing public plan. If the board proposes the establishment of a nonprofit health care plan or the expansion of an existing public plan, the board shall submit its proposal, including, but not limited to, a funding mechanism to capitalize a nonprofit health care plan and any recommended legislation to the joint standing committee of the Legislature having jurisdiction over health insurance matters. Dirigo Health may not provide access to health insurance by establishing a nonprofit health care plan or through an existing public plan without specific legislative approval. The nonprofit health care plan established under this subsection must be authorized by the superintendent pursuant to Title 24, chapter 19 and begin providing health insurance coverage not later than October 1, 2008.

Sec. 2. Establishment of nonprofit health care plan. The Board of Directors of Dirigo Health, established in the Maine Revised Statutes, Title 24-A, section 6904, shall establish the nonprofit health care plan under the Maine Revised Statutes, Title 24-A, section 6910, subsection 2 to offer residents of this State health insurance coverage under Dirigo Health as an alternative to those health insurance products currently offered by commercial health insurance carriers. The board shall consult with the Department of Professional and Financial Regulation, Bureau of Insurance and other state agencies as necessary to develop a plan of operation for the nonprofit health care plan. The board may contract for actuarial, financial and legal expertise to identify the funding needs for capital and adequate reserves and to identify the statutory requirements of Title 24, chapter 19 for nonprofit health care plans. The board shall submit a plan of operation for the nonprofit health care plan to the Superintendent of Insurance pursuant to Title 24, chapter 19 not later than March 1, 2008.

Sec. 3. Authority to submit legislation. If the Board of Directors of Dirigo Health determines legislation is needed to carry out the purposes of this Act, including, but not limited to, legislation to establish a funding mechanism for the nonprofit health care plan, the board shall submit any recommended legislation to the Joint Standing Committee on Insurance and Financial Services not later than December 1, 2007. The Joint Standing Committee on Insurance and Financial Services shall submit any necessary legislation to the Second Regular Session of the 123rd Legislature.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill directs the Board of Directors of Dirigo Health to establish a nonprofit health care plan to deliver health insurance coverage under Dirigo Health as an alternative to health insurance coverage offered by commercial health insurance carriers. The bill requires the board to consult with the Department of Professional and Financial Regulation, Bureau of Insurance and other state agencies as necessary and authorizes the board to contract for actuarial, financial and legal services. If the board determines that additional legislation is needed to establish the nonprofit health care plan, the bill requires that the recommended legislation be submitted to the Joint Standing Committee on Insurance and Financial Services by December 1, 2007. The bill authorizes the Joint Standing Committee on Insurance and Financial Services to submit legislation to the Second Regular Session of the 123rd Legislature. The bill directs that the board present a plan of operation for the nonprofit health care plan pursuant to the Maine Revised Statutes, Title 24, chapter 19 to the Superintendent of Insurance by March 1, 2008. Finally, the bill requires that the nonprofit health care plan begin offering coverage by October 1, 2008.