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

Amend the amendment in Part D by striking out all of section 1 (page 4, lines 16 to 40 and page 5, lines 1 to 24 in amendment) and inserting the following:

'**Sec. D-1. 24-A MRSA §2736-C, sub-§2-A** is enacted to read:

2-A. Reinsurance requirement. Carriers providing individual health plans are subject to the requirements of chapter 54.'

Amend the amendment in Part D in section 2 in the chapter headnote in the 2nd line (page 5, line 27 in amendment) by striking out the following: " **HIGH-RISK** "

Amend the amendment in Part D in section 2 in §3901 in the first paragraph in the first line (page 5, line 30 in amendment) by striking out the following: "High-risk"

Amend the amendment in Part D in section 2 in §3902 in subsection 1 in the first line (page 5, line 35 in amendment) by striking out the following: "High-risk"

Amend the amendment in Part D in section 2 in §3902 in subsection 3 in the 2nd line (page 6, line 2 in amendment) by striking out the following: "exclusive of dependents" and inserting the following: 'including dependents'

Amend the amendment in Part D in section 2 in §3903 in the first line (page 7, line 10 in amendment) by striking out the following: " **High-risk** "

Amend the amendment in Part D in section 2 in §3903 in subsection 1 in the first line (page 7, line 11 in amendment) by striking out the following: "High-risk"

Amend the amendment in Part D in section 2 in §3903 in subsection 2 in paragraph A in subparagraph (1) in division (b) in the first line (page 7, line 23 in amendment) by striking out the following: "Two members" and inserting the following: 'One member'

Amend the amendment in Part D in section 2 in §3903 in subsection 2 in paragraph A in subparagraph (1) by inserting after division (b) the following:

'

(c) One member must be the Executive Director of Dirigo Health or the director's designee;

'

Amend the amendment in Part D in section 2 in §3903 in subsection 2 in paragraph A in subparagraph (1) by relettering the divisions to read consecutively.

Amend the amendment in Part D in section 2 in §3905 in subsection 1 in paragraph D in the last line (page 8, line 25 in amendment) by inserting after the following: "assets;" the following: 'and'

Amend the amendment in Part D in section 2 in §3905 in subsection 1 in paragraph E in the last line (page 8, line 34 in amendment) by striking out the following: "insurer; and" and inserting the following: 'insurer.'

Amend the amendment in Part D in section 2 in §3905 in subsection 1 by striking out all of paragraph F (page 8, lines 35 to 37 in amendment)

Amend the amendment in Part D in section 2 in §3905 in subsection 2 by striking out all of paragraph E (page 9, lines 13 and 14 in amendment)

Amend the amendment in Part D in section 2 in §3905 in subsection 2 by relettering the paragraphs to read consecutively.

Amend the amendment in Part D in section 2 in §3906 in subsection 3 by striking out all of paragraph B (page 10, lines 17 to 21 in amendment)

Amend the amendment in Part D in section 2 in §3906 in subsection 3 by relettering the paragraphs to read consecutively.

Amend the amendment in Part D in section 2 by striking out all of §3908 (page 12, lines 1 to 27 in amendment) and inserting the following:

‘§ 3908. Requirements for coverage

1. Coverage for reinsurance. For individual health plans issued or renewed on or after January 1, 2009, an insurer may designate through the use of individual health statements or other reasonable means a person covered under an individual health plan to be reinsured by the association in accordance with section 3909 and rules adopted by the association.’

Amend the amendment in Part D in section 2 in §3909 in subsection 1 in the first and 2nd lines (page 12, lines 29 and 30 in amendment) by striking out the following: "offering the coverage options approved by the association pursuant to section 3908, subsection 1"

Amend the amendment in Part D in section 2 in §3909 in subsection 1 in the 3rd line (page 12, line 31 in amendment) by inserting after the following: "in this subsection" the following: 'for individual health plans designated by the insurer pursuant to section 3908'

Amend the amendment in Part D in section 2 by striking out all of §3910 (page 13, lines 21 to 43 and page 14, lines 1 to 34 in amendment)

Amend the amendment in Part D in section 2 in §3912 by striking out all of subsection 1 (page 15, lines 4 to 22 in amendment) and inserting the following:

‘**1. Reimbursement.** An insurer may seek reimbursement from the association and the association shall reimburse the insurer to the extent claims paid by the insurer after January 1, 2009 meet the requirements for reinsurance pursuant to section 3909 and the insurer meets the following criteria:

A. The insurer sold an individual health plan between December 1, 1993 and December 31, 2008, and the policy that was sold has been continuously renewed by the covered person;

B. The insurer is able to determine through the use of individual health statements, claims history or any reasonable means that at any time while the policy was in effect, the covered person was diagnosed with one of the following medical conditions: acquired immune deficiency syndrome, angina pectoris, ascites, chemical dependency, cirrhosis of the liver, coronary occlusion, cystic fibrosis, Friedreich's ataxia, hemophilia, Hodgkin's disease, Huntington's chorea, juvenile diabetes, leukemia, metastatic cancer, motor or sensory aphasia, multiple sclerosis, muscular dystrophy, myasthenia gravis, myotonia, heart disease requiring open-heart surgery, Parkinson's disease, polycystic kidney disease, psychotic disorders, quadriplegia, stroke, syringomyelia or Wilson's disease; and

C. The insurer has closed its book of business for individual health plans sold prior to January 1, 2009.'

Amend the amendment in Part D in section 2 by renumbering the sections to read consecutively.

Amend the amendment in Part D by striking out all of section 3 (page 15, lines 26 to 34 in amendment) and inserting the following:

'**Sec. D-3. Maine Individual Reinsurance Pool Association; staggered terms.** Notwithstanding the Maine Revised Statutes, Title 24-A, section 3903, subsection 2, paragraph B, the terms for initial appointments to the Maine Individual Reinsurance Pool Association are as follows. Of those members of the board appointed by the superintendent, 2 members serve for a term of one year, 2 members for a term of 2 years and 2 members for a term of 3 years. Of those members appointed by insurers, one member serves for a term of one year, one member serves for a term of 2 years and one member serves for a term of 3 years. The appointing authority shall designate the period of service of each initial appointee at the time of appointment.

Sec. D-4. Assessment. By January 1, 2012, the Maine Individual Reinsurance Pool Association shall determine whether the maximum assessment provided in the Maine Revised Statutes, Title 24-A, section 3907, subsection 2 is adequate to meet the reinsurance requirements of Title 24-A, chapter 54. The association shall submit a report to the joint standing committee of the Legislature having jurisdiction over insurance matters with its recommendations, if any, for changes to the assessment amount. The committee may submit a bill to the Second Regular Session of the 125th Legislature relating to the assessment.'

Amend the amendment in Part E by striking out all of section 1 (page 15, lines 36 to 41 in amendment)

Amend the amendment in Part E in section 2 by striking out all of paragraph D (page 16, lines 3 to 28 in amendment) and inserting the following:

'D. A carrier may vary the premium rate due to age, occupation or industry and geographic area ~~only under the following schedule and within the listed percentage bands~~in accordance with the limitations set out in this paragraph.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between December 1, 1993 and July 14, 1994, the premium rate may not deviate above or below the community rate filed by the carrier by more than 50%.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1994 and July 14, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 33%.

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State ~~after~~between July 15, 1995 and December 31, 2007, the premium rate may not deviate above or below the community rate filed by the carrier by more than 20%.

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State after January 1, 2008, the premium rate may not deviate above the community rate on the basis of age by more than 33% and may not deviate below the community rate on the basis of age by more than 66%.

,

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State after January 1, 2008, the premium rate may not deviate above or below the community rate filed by the carrier on the basis of geographic area and occupation or industry by more than 20%.

Amend the amendment in Part E by inserting after section 3 the following:

'**Sec. E-4. 24-A MRSA §2736-C, sub-§2, ¶H** is enacted to read:

H. A carrier that adjusts its rate shall account in its experience for the impact of the Maine Individual Reinsurance Pool Association established in chapter 54.

Sec. E-5. 24-A MRSA §2736-C, sub-§5, as amended by PL 2003, c. 469, Pt. E, §13, is further amended to read:

5. Loss ratios. For all policies and certificates issued on or after the effective date of this section, the superintendent shall disapprove any premium rates filed by any carrier, whether initial or revised, for an individual health policy unless it is anticipated that the aggregate benefits estimated to be paid under all the individual health policies maintained in force by the carrier for the period for which coverage is to be provided will return to policyholders at least ~~65%~~ 78% of the aggregate premiums collected for those policies, as determined in accordance with accepted actuarial principles and practices and on the basis of incurred claims experience and earned premiums. For the purposes of this calculation, any savings offset payments paid pursuant to former section 6913 must be treated as incurred claims. If incurred claims were less than 78% of aggregate earned premiums over a continuous 36-month period, the carrier shall refund total excess premiums to current in-force policyholders. The excess premium is the amount of premium above that amount necessary to achieve a 78% loss ratio for all of the carrier's individual policies during the same 36-month period. The refund must be distributed to policyholders in an amount reasonably calculated to correspond to the aggregate experience of all policyholders holding policies having similar

benefits. The total of all refunds must equal the excess premiums. The superintendent may require further support for the unpaid claims estimate and may require refunds to be recalculated if the estimate is found to be unreasonably large. The superintendent shall adopt rules setting forth appropriate methodologies for determining incurred claims experience and earned premiums and for calculating refunds pursuant to this subsection. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

Amend the amendment in Part F in section 1 in subsection 3 in the 4th line (page 16, line 39 in amendment) by striking out the following: "High-risk"

Amend the amendment in Part J by striking out all of sections 3 to 5 (page 20, lines 34 to 39 and page 21, lines 1 to 17 in amendment) and inserting the following:

'**Sec. J-3. 24-A MRSA §2839-B, sub-§2,** as enacted by PL 2003, c. 469, Pt. E, §17, is amended to read:

2. Annual filing. Every carrier offering group health insurance specified in subsection 1 shall annually file with the superintendent on or before April 30th a certification signed by a member in good standing of the American Academy of Actuaries or a successor organization that the carrier's rating methods and practices are in accordance with generally accepted actuarial principles and with the applicable actuarial standards of practice as promulgated by an actuarial standards board. The filing must also certify that the carrier has included in its experience any ~~savings offset~~ payments or recovery of those ~~savings offset~~ payments consistent with former section 6913. The filing also must state the number of policyholders, certificate holders and dependents, as of the close of the preceding calendar year, enrolled in large group health insurance plans offered by the carrier. A filing and supporting information are public records except as provided by Title 1, section 402, subsection 3.

Sec. J-4. 24-A MRSA §6908, sub-§1, ¶A, as enacted by PL 2003, c. 469, Pt. A, §8, is amended to read:

A. Take any legal actions necessary or proper to recover or collect savings offset payments provided in former section 6913 due Dirigo Health or that are necessary for the proper administration of Dirigo Health;

Sec. J-5. 24-A MRSA §6908, sub-§2, ¶B, as enacted by PL 2003, c. 469, Pt. A, §8, is amended to read:

B. Collect the ~~savings offset~~ payments provided in former section 6913;'

Amend the amendment in Part J by striking out all of section 9 (page 21, line 39 and page 22, lines 1 to 3 in amendment)

Amend the amendment in Part J by striking out all of sections 11 and 12 (page 22, lines 6 to 39 and page 23, lines 1 to 7 in amendment)

Amend the amendment in Part J by striking out all of section 13 (page 23, lines 8 to 21 in amendment) and inserting the following:

'**Sec. J-13. 24-A MRSA §6915,** as enacted by PL 2003, c. 469, Pt. A, §8 and as amended by PL 2005, c. 386, Pt. D, §3, is further amended to read:

§ 6915. Dirigo Health Enterprise Fund

The Dirigo Health Enterprise Fund is created as an enterprise fund for the deposit of any funds advanced for initial operating expenses, payments made by employers and individuals, any ~~savings offset~~ payments made pursuant to former section 6913, revenues transferred pursuant to Title 36, sections 4385 and 4403-A and any funds received from any public or private source. The fund may be used by Dirigo Health to exercise its powers and duties pursuant to this chapter. The fund may not lapse, but must be carried forward to carry out the purposes of this chapter.'

Amend the amendment in Part J by striking out all of sections 14 to 16 (page 23, lines 22 to 43 and page 24, lines 1 to 23 in amendment) and inserting the following:

'**Sec. J-14. 36 MRSA §4365,** as amended by PL 2005, c. 457, Pt. AA, §1 and affected by §8, is further amended to read:

§ 4365. Rate of tax

A tax is imposed on all cigarettes imported into this State or held in this State by any person for sale at the rate of ~~100~~137.5 mills for each cigarette. Payment of the tax is evidenced by the affixing of stamps to the packages containing the cigarettes.

Sec. J-15. 36 MRSA §4365-F, as enacted by PL 2005, c. 457, Pt. AA, §3 and affected by §8, is repealed.

Sec. J-16. 36 MRSA §4365-G is enacted to read:

§ 4365-G. Application of cigarette tax rate increase effective October 1, 2007

The following provisions apply to cigarettes held for resale on October 1, 2007.

1. Stamped rate. Cigarettes stamped at the rate of 100 mills per cigarette and held for resale after September 30, 2007 are subject to tax at the rate of 137.5 mills per cigarette.

2. Liability. A person possessing cigarettes for resale is liable for the difference between the tax rate of 137.5 mills per cigarette and the tax rate of 100 mills per cigarette in effect before October 1, 2007. Stamps indicating payment of the tax imposed by this section must be affixed to all packages of cigarettes held for resale as of October 1, 2007, except that cigarettes held in vending machines as of that date do not require that stamp.

3. Vending machines. Notwithstanding any other provision of this chapter, it is presumed that all cigarette vending machines are filled to capacity on October 1, 2007 and that the tax imposed by this section must be reported on that basis. A credit against this inventory tax must be allowed for cigarettes stamped at the rate of 137.5 mills per cigarette placed in vending machines before October 1, 2007.

4. Payment. Payment of the tax imposed by this section must be made to the assessor by January 1, 2007, accompanied by forms prescribed by the assessor.

Sec. J-17. 36 MRSA §4366-A, sub-§2, as amended by PL 2005, c. 622, §25 and affected by §34, is further amended to read:

2. Provided to sellers. The State Tax Assessor shall provide stamps suitable to be affixed to packages of cigarettes as evidence of the payment of the tax imposed by this chapter. The assessor may permit a licensed distributor to pay for the stamps within 30 days after the date of purchase, if a bond satisfactory to the assessor in an amount not less than 50% of the sale price of the stamps has been filed with the assessor conditioned upon payment for the stamps. Such a distributor may continue to purchase stamps on a 30-day deferral basis only if it remains current with its cigarette tax obligations. The assessor may not sell additional stamps to a distributor that has failed to pay in full within 30 days for stamps previously purchased until such time as the overdue payment is received. The assessor shall sell cigarette stamps to licensed distributors at the following discounts from their face value:

A. For stamps at the face value of 37 mills sold through September 30, 2001, 2.5%;

B. For stamps at the face value of 50 mills sold prior to July 1, 2002, 2.16%;

C. For stamps at the face value of 50 mills sold on or after July 1, 2002, 2.03%; ~~and~~

D. For stamps at the face value of 100 mills, 1.15%~~.~~; and

E. For stamps at the face value of 137.5 mills, 0.88%.

Sec. J-18. 36 MRSA §4385 is enacted to read:

§ 4385. Applications of revenues

1. Credited to suspense account. Revenues derived from the tax equal to 37.5 mills imposed on cigarettes pursuant to section 4365 must be credited to a General Fund suspense account.

2. Transfers in 2008 and thereafter. Except as provided in subsection 3, on or before the last day of each month of calendar year 2008 and each calendar year thereafter, the State Controller shall transfer the revenues credited to the suspense account under subsection 1 during the month to the Dirigo Health Enterprise Fund established by Title 24-A, section 6915.

3. Transfer to General Fund. The State Controller shall transfer into the General Fund the revenues necessary to maintain the level of cigarette tax revenue at the level that was budgeted for the General Fund in fiscal year 2006-07. Beginning in fiscal year 2007-08, the State Controller shall transfer to the General Fund the revenues necessary to maintain the level of cigarette tax revenue in the previous year less 3%. The Treasurer of State shall annually review the recommendations of the Revenue Forecasting Committee to determine whether any change in the reduction rate is required and, if so, shall change the rate accordingly.

Sec. J-19. 36 MRSA §4403, sub-§2, as amended by PL 2005, c. 627, §8, is further amended to read:

2. Other tobacco. A tax is imposed on cigars, pipe tobacco and other tobacco intended for smoking at the rate of ~~20%~~78% of the wholesale sales price beginning October 1, ~~2005~~2007.

Sec. J-20. 36 MRSA §4403-A is enacted to read:

§ 4403-A. Applications of revenues

1. Credited to suspense account. Revenues derived from the tax equal to 58% of the wholesale sales price of tobacco products pursuant to section 4403, subsection 2 must be credited to a General Fund suspense account.

2. Transfers in 2008 and thereafter. On or before the last day of each month of calendar year 2008 and each calendar year thereafter, the State Controller shall transfer 100% of the revenues credited to the suspense account under subsection 1 during the month to the Dirigo Health Enterprise Fund established by Title 24-A, section 6915.'

Amend the amendment in Part K by striking out all of sections 3 to 11 and inserting the following:

'**Sec. K-3. 24-A MRSA §2736, sub-§4, ¶C,** as amended by PL 2003, c. 469, Pt. E, §10, is further amended to read:

C. In any hearing conducted under this subsection, the Bureau of Insurance and any party asserting that the rates are excessive have the burden of establishing that the rates are excessive. The burden of proving that rates are adequate, not unfairly discriminatory and in compliance with the requirements of former section 6913 remains with the insurer.

Sec. K-4. 24-A MRSA §2736-A, as amended by PL 2003, c. 469, Pt. E, §11, is further amended to read:

§ 2736-A. Hearing

If at any time the superintendent has reason to believe that a filing does not meet the requirements that rates not be excessive, inadequate, unfairly discriminatory or not in compliance with former section 6913 or that the filing violates any of the provisions of chapter 23, the superintendent shall cause a hearing to be held.

Hearings held under this section must conform to the procedural requirements set forth in the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter 4.

Sec. K-5. 24-A MRSA §2736-C, sub-§2, ¶F, as enacted by PL 2003, c. 469, Pt. E, §12, is amended to read:

F. A carrier that adjusts its rate shall account for the savings offset payment or any recovery in that offset payment in its experience consistent with this section and former section 6913.

Sec. K-6. 24-A MRSA §2808-B, sub-§2-A, ¶C, as enacted by PL 2003, c. 469, Pt. E, §16, is amended to read:

C. Rates for small group health plans must be filed in accordance with this section and subsections 2-B and 2-C for premium rates effective on or after July 1, 2004, except that the filing of rates for small group health plans are not required to account for any savings offset payment or any recovery of that offset payment pursuant to subsection 2-B, paragraph D and former section 6913 ~~for rates effective before July 1, 2005~~

Sec. K-7. 24-A MRSA §2808-B, sub-§2-B, ¶A, as enacted by PL 2003, c. 469, Pt. E, §16, is amended to read:

A. The superintendent shall disapprove any premium rates filed by any carrier, whether initial or revised, for a small group health plan unless it is anticipated that the aggregate benefits estimated to be paid under all the small group health plans maintained in force by the carrier for the period for which coverage is to be provided will return to policyholders at least 75% of the aggregate premiums collected for those policies, as determined in accordance with accepted actuarial principles and practices and on the basis of incurred claims experience and earned premiums. For the purposes of this calculation, any savings offset payments paid pursuant to former section 6913 must be treated as incurred claims.

Sec. K-8. 24-A MRSA §2808-B, sub-§2-B, ¶D, as enacted by PL 2003, c. 469, Pt. E, §16, is amended to read:

D. A carrier that adjusts its rate shall account for the savings offset payment or any recovery of that savings offset payment in its experience consistent with this section and former section 6913.

Sec. K-9. 24-A MRSA §2808-B, sub-§2-B, ¶F, as enacted by PL 2003, c. 469, Pt. E, §16, is amended to read:

F. Any rate hearing conducted with respect to filings that meet the criteria in paragraph E is subject to this paragraph.

(1) A person requesting a hearing shall provide the superintendent with a written statement detailing the circumstances that justify a hearing, notwithstanding the satisfaction of the criteria in paragraph E.

(2) If the superintendent decides to hold a hearing, the superintendent shall issue a written statement detailing the circumstances that justify a hearing, notwithstanding the satisfaction of the criteria in paragraph E.

(3) In any hearing conducted under this paragraph, the bureau and any party asserting that the rates are excessive have the burden of establishing that the rates are excessive. The burden of proving that rates are adequate, not unfairly discriminatory and in compliance with the requirements of former section 6913 remains with the carrier.

Sec. K-10. 24-A MRSA §6951, first ¶, as enacted by PL 2003, c. 469, Pt. A, §8, is amended to read:

The Maine Quality Forum, referred to in this subchapter as "the forum," is established within Dirigo Health. The forum is governed by the board with advice from the Maine Quality Forum Advisory Council pursuant to section 6952. The forum must be funded, at least in part, through the savings offset payments made pursuant to former section 6913. Except as provided in section 6907, subsection 2, information obtained by the forum is a public record as provided by Title 1, chapter 13, subchapter 1. The forum shall perform the following duties.'

Amend the amendment by striking out all of Part L and inserting the following:

PART L

'

Sec. L-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services - Bureau of 0002

Initiative: Provides funds for Maine Revenue Services administrative costs associated with the cigarette and other tobacco products tax increase.

GENERAL FUND	**2007-08**	**2008-09**
All Other	$88,000	$0
GENERAL FUND TOTAL	$88,000	$0

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF **DEPARTMENT TOTALS**	**2007-08**	**2008-09**
GENERAL FUND	**$88,000**	**$0**
DEPARTMENT TOTAL - ALL FUNDS	**$88,000**	**$0**

DIRIGO HEALTH

Dirigo Health Fund 0988

Initiative: Deallocates funds for Dirigo Health costs that were funded by the savings offset payment.

DIRIGO HEALTH FUND	2007-08	2008-09
All Other	$0	($13,720,000)
DIRIGO HEALTH FUND TOTAL	$0	($13,720,000)

Dirigo Health Fund 0988

Initiative: Allocates funds for Dirigo Health costs to be funded by a cigarette and other tobacco products tax increase.

DIRIGO HEALTH FUND	2007-08	2008-09
All Other	$35,649,622	$48,014,799
DIRIGO HEALTH FUND TOTAL	$35,649,622	$48,014,799

DIRIGO HEALTH DEPARTMENT TOTALS	2007-08	2008-09
DIRIGO HEALTH FUND	$35,649,622	$34,294,799
DEPARTMENT TOTAL - ALL FUNDS	$35,649,622	$34,294,799

SECTION TOTALS	2007-08	2008-09
GENERAL FUND	$88,000	$0
DIRIGO HEALTH FUND	$35,649,622	$34,294,799
SECTION TOTAL - ALL FUNDS	$35,737,622	$34,294,799

'

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment does the following.

1. It maintains guaranteed issue in the individual market.

2. It modifies the reinsurance pool to make it clear that individuals will not be placed in a separate risk pool or be covered under different health plans than those available in the individual market. The amendment permits carriers in the individual market to use an individual health assessment to designate persons covered under an individual health plan for inclusion in the reinsurance pool at the time a policy is issued.

3. The amendment requires carriers to account for the impact of the reinsurance pool in rates for individual health plans filed for approval with the Superintendent of Insurance.

4. The amendment modifies the community rating provisions in the committee amendment to permit premium rates to vary on the basis of age up to 33% above or up to 66% below the community rate. The amendment would maintain the requirement in current law that permits premium rates to vary on the basis of geographic area and occupation or industry up to 20% above or below the community rate.

5. The amendment adds a requirement that carriers in the individual market maintain a loss ratio of 78%.

6. The amendment removes the provisions in the committee amendment that impose a 1% assessment on carriers and increase the hospital tax by 1% to fund the Dirigo Health Program. This amendment increases the tax on cigarettes by 75¢ and equalizes the rate of tax on all other tobacco products. The amendment requires that all of the revenues from the tax increases be credited to the Dirigo Health Enterprise Fund to support the Dirigo Health Program.

7. The amendment removes the provision in the committee amendment establishing a voluntary checkoff on individual income tax returns for contributions to the Dirigo Health Enterprise Fund.

FISCAL NOTE REQUIRED
(See attached)