

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

Amend the bill in Part B by striking out all of section 3 and inserting the following:

Sec. B-3. 24-A MRSA §2736-C, sub-§2, ¶B, as enacted by PL 1993, c. 477, Pt. C, §1 and affected by Pt. F, §1, is amended to read:

B. A carrier may not vary the premium rate due to the gender, health status, occupation or industry, claims experience or policy duration of the individual.

Sec. B-4. 24-A MRSA §2736-C, sub-§2, ¶D, as amended by PL 2001, c. 410, Pt. A, §2 and affected by §10, is further amended to read:

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 June 30, 2009, 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 on or after July 1, 2009, for each health benefit plan offered by a carrier, the highest premium rate for each rating tier may not exceed 2.5 times the premium rate that could be charged to an eligible individual with the lowest premium rate for that rating tier in a given rating period. For purposes of this subparagraph, "rating tier" means each category of individual or family composition for which a carrier charges separate rates.

(a) In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 2.5.

(b) In determining rating factors for age and geographic area pursuant to this subparagraph, no resulting rates, taking into account the savings resulting from the reinsurance program created by chapter 54, may exceed the rates that would have resulted from using projected claims and expenses and the rating factors applicable prior to July 1, 2009, as determined without taking into account the savings resulting from the Maine Individual Reinsurance Association established in chapter 54.

(c) The superintendent shall adopt rules setting forth appropriate methodologies regarding determination of rating factors pursuant to this subparagraph. Rules adopted pursuant to this division are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Amend the bill in Part B in section 5 in paragraph H in the last paragraph in the last line (page 3, line 42 in L.D.) by inserting after the following: "2-A." the following: 'The superintendent shall direct the Consumer Health Care Division, established in section 4321, to work with carriers and health advocacy organizations to provide information about comparable alternative insurance options to individuals in a carrier's closed book of business and upon request to assist individuals to facilitate the transition to an individual health plan in that carrier's or another carrier's open book of business.'

Amend the bill in Part B in section 8 in the 3rd line (page 9, line 23 in L.D.) by striking out the following: "paragraph C" and inserting the following: 'paragraph D'

Amend the bill in Part E by striking out all of sections 3 and 4 and inserting the following:

‘Sec. E-3. 24-A MRSA §6915, 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 and section 6913-A, revenues transferred pursuant to Title 36, chapters 703 and 704 and any funds received from any public or private source for the Dirigo Health Program and the Maine Individual Reinsurance Association established by chapter 54. An amount equal to 20% of the deposits received by the Dirigo Health Enterprise Fund from revenues deposited pursuant to section 6913-A and revenues transferred pursuant to Title 36, chapters 703 and 704 in the preceding month must be transferred to the Maine Individual Reinsurance Association by the first of each month beginning July 1, 2009. The fund may not lapse, but must be carried forward to carry out the purposes of this chapter.’

Amend the bill in Part E in section 7 in §4365-G in subsection 1 by striking out all of the last underlined sentence (page 14, lines 18 and 19 in L.D.)

Amend the bill in Part E in section 7 in §4365-G in subsection 4 in the 2nd line (page 14, line 30 in L.D.) by inserting after the following: "Assessor" the following: 'by October 1, 2008.'

Amend the bill in Part E by striking out all of section 11 and inserting the following:

‘**Sec. E-11. 36 MRSA §4401, sub-§2-A** is enacted to read:

2-A. Little cigar. "Little cigar" means a small cigar, as defined in Section 5702 of the Code, weighing not more than 3 pounds per thousand.

Sec. E-12. 36 MRSA §4401, sub-§6-A is enacted to read:

6-A. Roll-your-own tobacco. "Roll-your-own tobacco" means tobacco suitable for making cigarettes as defined in Section 5702 of the Code.’

Amend the bill in Part E in section 12 in subsection 1 in the 2nd line (page 15, line 19 in L.D.) by striking out the following: "78%" and inserting the following: '78%97.5%'

Amend the bill in Part E by striking out all of section 13 and inserting the following:

‘**Sec. E-13. 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, other than little cigars and roll-your-own tobacco, at the rate of 20%25% of the wholesale sales price beginning ~~October 1, 2005.~~

Sec. E-14. 36 MRSA §4403, sub-§2-A is enacted to read:

2-A. Little cigars and roll-your-own tobacco. A tax is imposed on little cigars at the rate of 125 mills per little cigar and on roll-your-own tobacco at the rate of 125 mills per 0.036 ounce.’

Amend the bill by inserting after Part E the following:

PART F

‘**Sec. F-1. Appropriations and allocations.** The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services - Bureau of 0002

Initiative: Provides one-time funds for the administrative costs associated with the cigarette and other tobacco products tax increases.

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$43,857
GENERAL FUND TOTAL	\$0	\$43,857

**ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF
DEPARTMENT TOTALS**

	2007-08	2008-09
GENERAL FUND	\$0	\$43,857
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DEPARTMENT TOTAL - ALL FUNDS	\$0	\$43,857

DIRIGO HEALTH

Dirigo Health Fund 0988

Initiative: Allocates Dirigo Health funds from the increase in the cigarette tax to \$2.50 and other tobacco products to 78%.

DIRIGO HEALTH FUND	2007-08	2008-09
All Other	\$0	\$28,502,356
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DIRIGO HEALTH FUND TOTAL	\$0	\$28,502,356

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	(\$32,900,000)
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DIRIGO HEALTH FUND TOTAL	\$0	(\$32,900,000)

Dirigo Health Fund 0988

Initiative: Allocates Dirigo Health funds from a health access surcharge of 1.8% on all paid claims.

DIRIGO HEALTH FUND	2007-08	2008-09
All Other	\$0	\$33,000,000
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DIRIGO HEALTH FUND TOTAL	\$0	\$33,000,000

DIRIGO HEALTH DEPARTMENT TOTALS	2007-08	2008-09
DIRIGO HEALTH FUND	\$0	\$28,602,356
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DEPARTMENT TOTAL - ALL FUNDS	\$0	\$28,602,356
SECTION TOTALS	2007-08	2008-09
GENERAL FUND	\$0	\$43,857
DIRIGO HEALTH FUND	\$0	\$28,602,356
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SECTION TOTAL - ALL FUNDS	\$0	\$28,646,213

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

SUMMARY

This amendment is the majority report of the committee. The amendment preserves the current law with regard to rating on the basis of geographic area at 20% above or below the community rate. The amendment otherwise permits premium rates to vary on the basis of age and geographic area in combination to a ratio of 2.5 to 1 from the highest premium rate to the lowest premium rate as proposed in the bill. The amendment also requires that the Bureau of Insurance, Consumer Health Care Division provide assistance to individuals who are in the closed book of business as a result of the rating provisions in the bill to facilitate the transition to alternative health coverage in the open book of business.

The amendment makes the following changes to the provisions of the bill relating to cigarette and tobacco taxes. The amendment removes the language in the bill reclassifying little cigars as cigarettes and adds a definition of "little cigar." It adds a definition of "roll-your-own tobacco." The amendment also changes the rate of tax on all other tobacco products to a cigarette tax equivalent of \$2.50 per pack by taxing little cigars and roll-your-own tobacco the same as cigarettes and by adjusting the rate of tax on smokeless tobacco and on other cigars, pipe tobacco and other smoking tobacco in proportion to the increase in the cigarette tax.

The amendment also makes technical corrections to the bill and adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED
(See attached)