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Legislative Document

No. 1198

H.P. 835

House of Representatives, March 28, 2017

An Act To Enhance the Administration of the State's Group Health Plan

(EMERGENCY)

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative FOLEY of Wells.

- 1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not 2 become effective until 90 days after adjournment unless enacted as emergencies; and
- 3 **Whereas,** the contract for the State's group health plan expired on June 30, 2016; 4 and
- 5 **Whereas,** the State is currently in the competitive bidding process for awarding the 6 next group health plan for state employees; and
- Whereas, allowing the term of the State's next group health plan to be extended will
 enhance the administration of the plan and benefit the plan members; and

9 Whereas, in the judgment of the Legislature, these facts create an emergency within 10 the meaning of the Constitution of Maine and require the following legislation as 11 immediately necessary for the preservation of the public peace, health and safety; now, 12 therefore,

- 13 Be it enacted by the People of the State of Maine as follows:
- 14 Sec. 1. 5 MRSA §285, sub-§5, as amended by PL 1995, c. 368, Pt. G, §1, is 15 further amended to read:

16 5. Purchase of policies. The commission shall purchase, by competitive bidding, 17 from one or more insurance companies, nonprofit organizations, 3rd-party administrators or any organization necessary to administer and provide a health plan, a policy or policies 18 19 or contract, to provide the benefits specified by this section. The purchase of policies by 20 the commission must be accomplished by use of a written contract that must be fully executed within 90 calendar days of notification of bid acceptance from the commission 21 22 to the insurer. In extenuating circumstances, the Commissioner of Administrative and 23 Financial Services may grant a waiver to that 90-day limit. Notwithstanding this 24 subsection, with the consent of the policyholder and of the insurer and at the sole 25 discretion of the commission, existing policies of insurance covering at least 1,000 of the employees defined as eligible by this section may be amended to provide the benefits 26 27 specified by this section and assigned to the Commissioner of Administrative and 28 Financial Services for the benefit of all those eligible under this section. The company or 29 companies or nonprofit organizations must be licensed under the laws of the State, when 30 applicable. The policy provisions are subject to and as provided for by the insurance laws 31 of this State, when applicable. Notwithstanding any other provisions of law, the term of a 32 contract executed with a successful bidder may not exceed 3 years unless extended in 33 one-year increments for up to 3 additional years.

- 34 **Emergency clause.** In view of the emergency cited in the preamble, this 35 legislation takes effect when approved.
- 36 SUMMARY
- This bill allows the term of the contract for the State's group health plan to be extended in one-year increments for up to 3 additional years.