

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND SIXTEEN

—
H.P. 1042 - L.D. 1517

**An Act To Enable an Alternative Organizational Structure To Purchase
Group Health Insurance for Its Employees**

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

Whereas, beginning in July 2017, under the federal Affordable Care Act, certain school administrative units with fewer than 50 employees will no longer be eligible to purchase insurance benefits through their current policy providers; and

Whereas, without this legislation, certain employment contracts that include these benefits will have to be renegotiated and alternative organizational structures will be out of compliance with their governing interlocal agreements and state law; 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. 20-A MRSA §1001, sub-§14, ¶E, as reallocated by RR 2011, c. 1, §25, is amended to read:

E. In order to facilitate the competitive bidding process in procuring health insurance for a school administrative unit's employees under this subsection, a school administrative unit may request from the insurer providing health insurance coverage to its employees and retirees loss information concerning all of that school administrative unit's employees and retirees and their dependents covered under the school administrative unit's policy or contract pursuant to Title 24-A, section 2803-A. The school boards of the alternative organizational structure's member school administrative units may authorize the governing body of the alternative organizational structure to contract for a single health insurance policy that is offered to all eligible employees and retirees of the alternative organizational structure and its

member school administrative units and their dependents in one or more employment classifications. If an alternative organizational structure contracts for a single health insurance policy that is offered to all eligible employees and retirees of the alternative organizational structure and its member school administrative units and their dependents in one or more employment classifications, the governing body of the alternative organizational structure shall provide notice to the insurer of the alternative organizational structure's election to contract for a single health insurance policy at least 6 months before the effective date of the policy. The alternative organizational structure may not revoke a single health insurance policy under this paragraph for a period of 5 years after the effective date of the policy and shall provide notice of revocation at least 6 months before the effective date of the revocation.

Sec. 2. 24-A MRSA §2803-A, sub-§2, as corrected by RR 2011, c. 1, §39, is amended to read:

2. Disclosure of basic loss information. Upon written request, every insurer shall provide loss information concerning a group policy or contract to its policyholder, to a former policyholder or to a school administrative unit pursuant to Title 20-A, section 1001, subsection 14, paragraph E within 21 business days of the date of the request. This subsection does not apply to a former policyholder whose coverage terminated more than 18 months prior to the date of a request. For the purposes of this subsection, "school administrative unit" has the same meaning as in Title 20-A, section 1, subsection 26.

Sec. 3. 24-A MRSA §2804, sub-§1, as repealed and replaced by PL 1981, c. 147, §2, is amended to read:

1. The employees eligible for insurance under the policy ~~shall~~ must be all of the employees of the employer, or all of any class or classes thereof. The policy may provide that the term "employees" includes the employees of one or more subsidiary corporations and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the employer and of the affiliated corporations, proprietorships or partnerships is under common control. The policy may provide that the term "employees" includes the individual proprietor or partners if the employer is an individual proprietorship or partnership. The policy may provide that the term "employees" includes retired employees and directors of a corporate employer. A policy issued to insure the employees of a public body may provide that the term "employees" includes elected or appointed officials. If authorized by the school boards of the alternative organizational structure's member school administrative units pursuant to Title 20-A, section 1001, an alternative organizational structure established pursuant to Title 20-A, section 1461-B may contract for group health insurance that is offered to all eligible employees and retirees of the alternative organizational structure and its member school administrative units and their dependents in one or more employment classifications.

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