

Date: (Filing No. H-)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1487, L.D. 2208, “An Act to Offset Federal Cuts to Health Insurance for Certain Maine Families and Seniors”

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 22 MRSA §1730-B is enacted to read:

§1730-B. Rural Health Stabilization Fund

1. Definitions. For the purposes of this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Fund" means the Rural Health Stabilization Fund established in subsection 2.

B. "Hospital facility price" means the total amount a hospital expects to receive for health care services, including both the amount paid to a hospital by any insurer or plan sponsor and any payment received directly from an insured or uninsured individual for institutional services.

C. "Insurer" has the same meaning as in Title 24-A, section 3952, subsection 6.

D. "Plan sponsor" means any person, other than an insurer, that establishes or maintains a health plan covering residents of this State, including, but not limited to, plans established or maintained by 2 or more employers or jointly by one or more employers and one or more employee organizations, associations, committees, joint boards of trustees or other similar groups of representatives of the parties that establish or maintain the plan. "Plan sponsor" does not include the MaineCare program; the federal Medicare program; the Civilian Health and Medical Program for the Uniformed Services, known as TRICARE; the federal Employees Health Benefits program; the United States Department of Health and Human Services, Indian Health Service; or any program providing health benefits administered by the United States Department of Veterans Affairs.

2. Rural Health Stabilization Fund. The Rural Health Stabilization Fund is established as a dedicated, nonlapsing fund administered by the department to support the

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1 department initiatives approved under the rural health transformation program authorized
2 by the federal Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14,
3 Public Law 119-21, Section 71401 that benefit rural health care providers in the State and
4 that promote access and affordability of health care for residents of the State in rural areas.
5 The department may receive money from any gift, grant, contribution, legislative
6 appropriation, allocation or transfer or bond proceeds. The money in the fund may be used
7 only for the purposes described in this subsection and paying program administration costs.

8 **3. Funding eligibility.** As a condition of accepting funding from the department from
9 the fund, a hospital or health system shall meet the following requirements.

10 A. A hospital or health system that accepts funds must limit the annual growth of
11 hospital facility prices to a percentage equal to the inpatient prospective payment
12 system hospital market basket index established by the federal Medicare program for
13 a period of 5 years from the time funds are initially disbursed. A hospital or health
14 system that accepts funds may not:

15 (1) Enter into a contract with any insurer or plan sponsor in which the growth of
16 the allowed amount for any inpatient or outpatient facility service exceeds the
17 hospital facility price growth limit for that plan year; or

18 (2) Charge or collect payment for any inpatient or outpatient facility service in an
19 amount that exceeds the prior year's price for that same service by more than the
20 hospital facility price growth limit for that plan year, including any amount charged
21 to or collected from an insurer, plan sponsor or individual or any other source with
22 respect to the service.

23 B. Except as otherwise provided in this subsection, for a period of 5 years from the
24 disbursement of funds, a hospital or health system that accepts funds may not:

25 (1) Charge or collect payment from any insurer, plan sponsor or patient for any
26 inpatient or outpatient facility service in an amount that exceeds 200% of the
27 Medicare rate for the same service in the same geographic area;

28 (2) Enter into a contract with any insurer or plan sponsor in which the allowed
29 amount paid for any inpatient or outpatient facility service exceeds 200% of the
30 Medicare rate for the same service in the same geographic area; or

31 (3) Charge or collect payment for any amount exceeding the allowed amount for
32 a covered health care service pursuant to this subsection, except for any applicable
33 in-network coinsurance, deductible or copayment amount, including any amount
34 charged to or collected from an insurer, plan sponsor or individual or any other
35 source with respect to the service.

36 C. Paragraph B does not apply to:

37 (1) Charges for services provided to a critical access hospital that accepts funds
38 under this subsection; or

39 (2) Charges for services provided to a hospital determined to be financially
40 distressed by the Office of Affordable Health Care. A determination of financial
41 distress is valid for a period of no less than one year.

42 D. A hospital or health system that accepts funds under this subsection that fails to
43 comply with the requirements of paragraph A or B commits a civil violation for which

1 a fine equal to at least 110% and no more than 200% of any charge exceeding the limits
2 set forth in paragraph A or B may be adjudged and all funding granted to the hospital
3 or health system under this section must be returned to the State.

4 **4. Rulemaking.** The department may adopt rules to implement this section. Rules
5 adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter
6 375, subchapter 2-A.

7 **Sec. 2. 22 MRSA §3198** is enacted to read:

8 **§3198. Health Care Premium Stabilization Fund**

9 **1. Fund established.** The Health Care Premium Stabilization Fund, referred to in this
10 section as "the fund," is established as a dedicated, nonlapsing fund administered by the
11 department to maintain coverage for residents of the State through the Maine Health
12 Insurance Marketplace, established in chapter 1479.

13 **2. Sources of fund.** The fund consists of amounts appropriated or allocated by the
14 State. The department may receive money from any gift, grant, contribution, legislative
15 appropriation, allocation or transfer or bond proceeds.

16 **3. Uses of fund.** The department shall use the fund to establish a state subsidy to offset
17 the financial impact of the expiration of the enhanced premium tax credits under the
18 American Rescue Plan Act of 2021, Public Law 117-2. The subsidy must be used to
19 increase the amount of assistance available to those previously eligible for subsidies under
20 the federal Affordable Care Act, Public Law 111-148 and to expand assistance to those
21 with an income at or above 400% of the federal poverty level if the recipient's monthly
22 premium cost of the second lowest cost silver health plan, as described in the United States
23 Internal Revenue Code of 1986, Section 36B(b)(3)(B), would, prior to the receipt of a
24 subsidy under this section, exceed 8.5% of the recipient's monthly household income.

25 **4. State subsidy; treatment for tax purposes.** The department shall implement this
26 section in a manner that minimizes the impact of any subsidy on a recipient's income for
27 federal tax purposes to the greatest extent permissible under federal law and the law of this
28 State. Notwithstanding any provision of law to the contrary, for Maine income tax
29 purposes, the amount of any subsidy provided to a recipient may not be considered income.

30 **5. Rulemaking.** The department may adopt rules to implement this section. Rules
31 adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter
32 375, subchapter 2-A.

33 **Sec. 3. 22 MRSA §3199** is enacted to read:

34 **§3199. MaineCare Federal Response Fund**

35 **1. Fund established.** The MaineCare Federal Response Fund, referred to in this
36 section as "the fund," is established as a dedicated, nonlapsing fund administered by the
37 department to supplement funding for the MaineCare program in the case of funding
38 revenue shortfalls due to reductions in federal contributions that support the MaineCare
39 program. The department may use funds in the fund to enhance program outreach and to
40 address changes to federal requirements related to program eligibility and renewals. The
41 department may not use funds in the fund to expand eligibility or services under the
42 MaineCare program.

1 **2. Rulemaking.** The department may adopt rules to implement this section. Rules
 2 adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter
 3 375, subchapter 2-A.

4 **Sec. 4. Appropriations and allocations.** The following appropriations and
 5 allocations are made.

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

7 **Miscellaneous Acts and Resolves - Finance 0306**

8 Initiative: Appropriates ongoing funding to be distributed to the Maine Guaranteed Access
 9 Reinsurance Association to support the reinsurance program.

10	GENERAL FUND	2025-26	2026-27
11	All Other	\$0	\$40,000,000
12			
13	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$40,000,000</u>

14

15 **ADMINISTRATIVE AND FINANCIAL**
 16 **SERVICES, DEPARTMENT OF**

17 **DEPARTMENT TOTALS**

18		2025-26	2026-27
19	GENERAL FUND	\$0	\$40,000,000
20			
21	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$40,000,000</u>

22 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF**

23 **Health Care Premium Stabilization Fund N566**

24 Initiative: Provides one-time funding for the Health Care Premium Stabilization Fund,
 25 including one-time funds for equipment and technology costs. The technology funds will
 26 be used to implement changes in the enrollment and eligibility system for state subsidy
 27 program eligibility determination, as well as changes to premium, coverage and billing
 28 information.

29	GENERAL FUND	2025-26	2026-27
30	All Other	\$0	\$17,300,000
31	Capital Expenditures	\$0	\$8,000,000
32			
33	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$25,300,000</u>

34 **MaineCare Federal Response Fund N568**

35 Initiative: Provides one-time funding to address reductions in federal funding for the
 36 MaineCare program, including funding for technology improvements at the department's
 37 office for family independence and office of MaineCare services to implement federal
 38 policy changes. The department may also use these funds to enhance outreach to help with
 39 the rollout of new federal requirements related to eligibility and renewals.

40	GENERAL FUND	2025-26	2026-27
41	All Other	\$0	\$105,000,000
42			

1 GENERAL FUND TOTAL \$0 \$105,000,000

2 **Rural Health Stabilization Fund N567**

3 Initiative: Provides one-time funding to support approved department initiatives under the
4 federal rural health transformation program.

5 **GENERAL FUND** **2025-26** **2026-27**
6 All Other \$0 \$50,000,000

7
8 GENERAL FUND TOTAL \$0 \$50,000,000

9

10 **HEALTH AND HUMAN SERVICES,**
11 **DEPARTMENT OF**
12 **DEPARTMENT TOTALS**

13
14 **GENERAL FUND** **2025-26** **2026-27**
15 \$0 \$180,300,000

16 **DEPARTMENT TOTAL - ALL FUNDS** \$0 \$180,300,000

17

18 **SECTION TOTALS** **2025-26** **2026-27**

19
20 **GENERAL FUND** **\$0** **\$220,300,000**

21
22 **SECTION TOTAL - ALL FUNDS** \$0 \$220,300,000

23

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

26

SUMMARY

27 This amendment, which is the majority report of the committee, replaces the bill and
28 does the following.

29 1. It establishes the Rural Health Stabilization Fund to provide \$50 million in one-time
30 funding to support the Department of Health and Human Services' initiatives approved
31 under the rural health transformation program authorized by the federal Act to Provide for
32 Reconciliation Pursuant to Title II of H. Con. Res. 14, Public Law 119-21, Section 71401
33 that benefit rural health providers in the State and that promote access and affordability of
34 health care for residents of the State in rural areas. As a condition of accepting a grant by
35 the department from the fund, a hospital or health system that accepts funds must limit the
36 annual growth of hospital facility prices to a percentage equal to the inpatient prospective
37 payment system hospital market basket index established by the federal Medicare program
38 for a period of 5 years from the time funds are initially disbursed. A participating hospital
39 or health system may not charge or collect payment from any insurer, plan sponsor or
40 patient for any inpatient or outpatient facility service in an amount that exceeds 200% of
41 the Medicare rate for the same service in the same geographic area. The conditions do not
42 apply to critical access hospitals or hospitals determined to be financially distressed by the

1 Office of Affordable Health Care. A participating hospital or health system that fails to
2 comply with the requirements commits a civil violation for which a fine may be adjudged
3 and is required to return all funding granted to the hospital or health system to the State.

4 2. It establishes the Health Care Premium Stabilization Fund to provide \$17.3 million
5 in one-time funding to establish a state subsidy to offset the financial impact of the
6 expiration of the enhanced premium tax credits under the American Rescue Plan Act of
7 2021 to those residents of the State who receive health care coverage under the Maine
8 Health Insurance Marketplace who were previously eligible for subsidies under the federal
9 Affordable Care Act.

10 3. It establishes the MaineCare Federal Response Fund to provide \$105 million in one-
11 time funding to supplement funding for the MaineCare program in the event of funding
12 revenue shortfalls due to reductions in federal contributions that support the MaineCare
13 program. It provides that the funding is not intended to be used to expand eligibility or
14 services for the MaineCare program.

15 4. It provides ongoing funding of \$40 million to the Maine Guaranteed Access
16 Reinsurance Association to increase the reinsurance program.

17 **FISCAL NOTE REQUIRED**

18 **(See attached)**