

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 A in section 1 by striking out all of paragraph C (page 1, lines 17 to 21 in amendment) and inserting the following:

~~'C. A carrier may vary the premium rate due to smoking status and family membership. The superintendent may adopt rules setting forth appropriate methodologies regarding rate discounts based on smoking status. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter H-A.'~~

Amend the amendment in Part A in section 2 in paragraph D in the first line (page 1, line 24 in amendment) by striking out the following: "and geographic area" and inserting the following: 'and, geographic area and'

Amend the amendment in Part A in section 2 in paragraph D by striking out all of subparagraphs (5), (6) and (7) (page 2, lines 29 to 43 in amendment) and inserting the following:

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 1, 2012 and December 31, 2013, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 3 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 3. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(6) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2014 and December 31, 2014, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 4 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 4. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(7) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2015, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 5 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 5. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

Amend the amendment in Part A by striking out all of section 4 and inserting the following:

‘Sec. A-4. 24-A MRSA §2736-C, sub-§2, ¶I is enacted to read:

I. A carrier that offered individual health plans prior to July 1, 2012 may close its individual book of business sold prior to July 1, 2012 and may establish a separate community rate for individuals applying for coverage under an individual health plan on or after July 1, 2012. If a carrier closes its individual book of business as permitted under this paragraph, the carrier may vary the premium rate for individuals in that closed book of business only as permitted in this paragraph.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 1, 2012 and December 31, 2012, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 2 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 2. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2013 and December 31, 2013, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 2.5 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 2.5. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2014 and December 31, 2014, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 3 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 3. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2015 and December 31, 2015, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 4 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 4. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2016, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 5 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 5. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(6) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 2012, the maximum rate differential due to smoking status filed by the carrier as determined by ratio is 1.5 to 1.

The superintendent shall establish by rule procedures and policies that facilitate the implementation of this paragraph, including, but not limited to, notice requirements for policyholders and experience pooling requirements of individual health products. When establishing rules regarding experience pooling requirements, the superintendent shall ensure, to the greatest extent possible, the availability of affordable options for individuals transitioning from the closed book of business. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. 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 amendment in Part A in section 5 in paragraph C in the first and 2nd lines (page 4, lines 16 and 17 in amendment) by striking out the following: "geographic area,"

Amend the amendment in Part A in section 5 in paragraph C in the 5th line (page 4, line 20 in amendment) by striking out the following: "geographic area,"

Amend the amendment in Part A in section 6 in paragraph D in the first line (page 4, line 25 in amendment) by striking out the following: "age;" and inserting the following: 'age,'

Amend the amendment in Part A in section 6 in paragraph D in the 2nd line (page 4, line 26 in amendment) by striking out the following: "~~geographic area~~" and inserting the following: 'geographic area'

Amend the amendment in Part A in section 6 in paragraph D by striking out all of subparagraphs (4) to (8) (page 4, lines 41 to 43 and page 5, lines 1 to 22 in amendment) and inserting the following:

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between October 1, 2011 and December 31, 2012, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 2 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 2. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2013 and December 31, 2013, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 2.5 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 2.5. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(6) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2014 and December 31, 2014, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 3 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 3. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(7) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2015 and December 31, 2015, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 4 to 1. 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 the highest and lowest combined rating factors for age

and geographic area may not exceed 4. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(8) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2016, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 5 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 5. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

Amend the amendment in Part A in section 8 in paragraph H by striking out all of subparagraphs (1) to (5) (page 5, lines 36 to 42 and page 6, lines 1 to 18 in amendment) and inserting the following:

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between October 1, 2011 and December 31, 2012, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 2 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 2. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2013 and December 31, 2013, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 2.5 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 2.5. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2014 and December 31, 2014, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 3 to 1. 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 the highest and lowest combined rating factors for age

and geographic area may not exceed 3. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between January 1, 2015 and December 31, 2015, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 4 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 4. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2016, the maximum rate differential due to age and geographic area filed by the carrier as determined by ratio is 5 to 1. 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 the highest and lowest combined rating factors for age and geographic area may not exceed 5. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age.

Amend the amendment in Part B in section 8 in §3953 in subsection 2 in paragraph A by striking out all of subparagraphs (1) and (2) (page 10, lines 7 to 14 in amendment) and inserting the following:

(1) Seven members appointed by the superintendent: 3 members who represent statewide organizations that advocate for consumers in the field of health policy; 2 members who represent medical providers; one member who represents a statewide organization that represents small businesses; and one member who represents producers. A board member appointed by the superintendent may not be removed without cause; and

(2) Four members appointed by the member insurers, at least one of whom is a domestic insurer and at least one of whom is a 3rd-party administrator.

Amend the amendment in Part B in section 8 in §3955 in subsection 1 in paragraph E in the 2nd line (page 11, line 15 in amendment) by striking out the following: "and"

Amend the amendment in Part B in section 8 in §3955 in subsection 1 in paragraph F in the first line (page 11, line 16 in amendment) by striking out the following: "3958." and inserting the following: '3958; and'

Amend the amendment in Part B in section 8 in §3955 in subsection 1 by inserting after paragraph F the following:

'G. Until subsidies are made available to eligible individuals pursuant to the federal Affordable Care Act on or after January 1, 2014, provide subsidies to a covered person enrolled in an individual health plan pursuant to section 2736-C to mitigate the impact of any increase in premium rates as a result of expanding the ability of a carrier to vary rates based on age and geographic area as provided in section 2736-C, subsection 2, paragraph D. The superintendent shall determine the appropriate level of subsidy to be made available by the association through rule. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

Amend the amendment in Part B in section 8 in §3957 in subsection 1 in the 3rd line (page 13, line 13 in amendment) by inserting after the following: "necessary" the following: 'in accordance with subsection 2'

Amend the amendment in Part B in section 8 in §3957 by striking out all of subsection 2 (page 13, lines 16 to 19 in amendment) and inserting the following:

'2. Maximum assessment. The board shall assess each insurer a dollar amount per month per covered person enrolled in medical insurance insured, reinsured or administered by the insurer as established by the superintendent pursuant to this subsection. No later than January 1, 2012, the superintendent shall adopt rules to establish the amount of the assessment on insurers paid to the association using actuarial science to determine the assessment based on the estimated number of individuals designated for reinsurance through the association and the estimated funding needed for that reinsurance. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A. An insurer may not be assessed on policies or contracts insuring federal or state employees.'

Amend the amendment by striking out all of Part E.

Amend the amendment in Part J by striking out all of sections 1 to 9.

Amend the amendment in Part J by striking out all of sections 19 to 21.

Amend the amendment Part J by striking out all of sections 23 and 24.

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

SUMMARY

This amendment makes the following changes to Committee Amendment "A."

It includes rating on the basis of geographic area inside of the rating bands for age instead of allowing rating outside of the bands and limits rating on the basis of geographic area to a rating factor of 1.5.

The amendment specifies that 3 of the members of the Board of Directors of the Maine Guaranteed Access Reinsurance Association must represent consumer advocacy organizations in the field of health

policy and reduces the insurer members from 5 to 4. The amendment also requires the Superintendent of Insurance to determine the assessment amount paid by insurers to fund the association after an actuarial study through rules adopted no later than January 1, 2012. The amendment designates the rules as major substantive.

The amendment requires the Maine Guaranteed Access Reinsurance Association to provide subsidies for individuals to mitigate the impact of premium increases resulting from an expansion of the rating bands based on age and geographic area until subsidies are made available through the federal Affordable Care Act on or after January 1, 2014.

The amendment removes Part E of the committee amendment, which repeals the State Health Plan and the Advisory Council on Health Systems Development.

The amendment also changes cross-references to reflect the changes made by this amendment to Committee Amendment "A."

FISCAL NOTE REQUIRED
(See attached)