

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

## **An Act To Allow the Adjustment of the Assessment Rate for the Rural Medical Access Program**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 24-A MRSA §6305, sub-§3**, as enacted by PL 2005, c. 122, §7, is amended to read:

**3. Assessment rates; program fund balance.** For assessment years prior to July 1, 2006, the assessment is 1.25% of premium. For assessment years commencing July 1, 2006 and after, the assessment is ~~.75%~~0.75% of premium unless adjusted pursuant to ~~this subsection~~rules adopted in accordance with subsection 4. The assessment rate is intended to result in collections no greater than \$500,000 per assessment year. ~~When the program fund balance is \$50,000 or less, the assessment rate must increase to 1% of premium. When the program fund balance is more than \$50,000, the assessment rate must decrease to .75% of premium.~~ The superintendent shall notify affected parties of any assessment rate adjustment and the effective date of that adjustment.

The program fund balance may be used to pay assistance to qualified eligible physicians in prior years for which there were insufficient funds. If all prior years' eligible qualified physicians have received assistance, any excess funds must be carried forward to subsequent plan years as part of the program fund balance. Excess funds must be applied first to the assessment year commencing July 1, 1998 and then to each successive assessment year.

For the purposes of this section, "program fund balance" means the total funds collected in excess of assistance paid for all years.

**Sec. 2. 24-A MRSA §6305, sub-§4** is enacted to read:

**4. Establishment of assessment rate by rule.** The superintendent may adopt rules pursuant to section 6311 establishing an assessment rate or a methodology for calculating an assessment rate designed to provide an adequate and reliable funding source for the program and allow for the orderly and prudent drawdown of any long-term fund balance in excess of reasonable program needs. The assessment rate may not result in expected collections exceeding \$500,000 per assessment year and may not exceed 0.75% of premium unless the program fund balance is \$50,000 or less, in which case the assessment rate must be set to a higher rate but may not exceed 1% of premium.

**Sec. 3. 24-A MRSA §6311**, as enacted by PL 1989, c. 931, §5 and amended by PL 2003, c. 689, Pt. B, §7, is further amended to read:

### **§ 6311. Rules**

The superintendent and the Commissioner of Health and Human Services may adopt rules in accordance with the Maine Administrative Procedure Act to carry out this chapter. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

## **SUMMARY**

Currently, the Rural Medical Access Program assessment rate is 0.75% of professional liability insurance premium, which results in annual revenues in excess of annual costs. This bill authorizes the Superintendent of Insurance to lower the assessment rate by rule in order to allow for the orderly and prudent drawdown of excess funds not needed by the program.