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Legislative Document

No. 1150

H.P. 828

House of Representatives, March 22, 2021

An Act To Eliminate Insurance Rating Based on Age, Geographic Location or Smoking History and To Reduce Rate Variability Due to Group Size

Received by the Clerk of the House on March 18, 2021. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative BROOKS of Lewiston.
Cosponsored by Representatives: ARFORD of Brunswick, CRAVEN of Lewiston, EVANS of Dover-Foxcroft, Senators: BRENNER of Cumberland, LIBBY of Androscoggin.

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

2 **Sec. 1. 24-A MRSA §2736-C, sub-§2, ¶C-1**, as enacted by PL 2011, c. 90, Pt. A,
3 §2, is amended to read:

4 C-1. A carrier may vary the premium rate due to geographic area in accordance with
5 the limitation set out in this paragraph. For all policies, contracts or certificates that
6 are executed, delivered, issued for delivery, continued or renewed in this State ~~on or~~
7 after between July 1, 2012 and December 31, 2021, the rating factor used by a carrier
8 for geographic area may not exceed 1.5. For all policies, contracts or certificates that
9 are executed, delivered, issued for delivery, continued or renewed in this State on or
10 after January 1, 2022, a carrier may not vary the premium rate due to geographic area.

11 **Sec. 2. 24-A MRSA §2736-C, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,
12 §3, is further amended by amending subparagraph (7) to read:

13 (7) For all policies, contracts or certificates that are executed, delivered, issued for
14 delivery, continued or renewed in this State ~~on or after~~ between January 1, 2015
15 and December 31, 2021, except as provided in subparagraph (9), the maximum rate
16 differential due to age filed by the carrier as determined by ratio is 5 to 1 to the
17 extent permitted by the federal Affordable Care Act. The limitation does not apply
18 for determining rates for an attained age of less than 19 years of age or more than
19 65 years of age.

20 **Sec. 3. 24-A MRSA §2736-C, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,
21 §3, is further amended by amending subparagraph (8) to read:

22 (8) For all policies, contracts or certificates that are executed, delivered, issued for
23 delivery, continued or renewed in this State ~~on or after~~ between July 1, 2012 and
24 December 31, 2021, the maximum rate differential due to tobacco use filed by the
25 carrier as determined by ratio is 1.5 to 1, except that the carrier may not apply a
26 rate differential pursuant to this subparagraph when the covered individual is
27 participating in an evidence-based tobacco cessation strategy approved by the
28 United States Department of Health and Human Services, Food and Drug
29 Administration. For all policies, contracts or certificates that are executed,
30 delivered, issued for delivery, continued or renewed in this State on or after January
31 1, 2022, a carrier may not vary the premium rate due to tobacco use.

32 **Sec. 4. 24-A MRSA §2736-C, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,
33 §3, is further amended by amending subparagraph (9) to read:

34 (9) For all policies, contracts or certificates that are executed, delivered, issued for
35 delivery, continued or renewed in this State ~~on or after the effective date of this~~
36 subparagraph between March 19, 2019 and December 31, 2021, the maximum rate
37 differential due to age filed by the carrier as determined by ratio is 3 to 1 for
38 individuals 21 years of age and older on the first day of coverage under the policy,
39 contract or certificate. The variation in rate due to age must be actuarially justified
40 for individuals under 21 years of age consistent with the uniform age rating curve
41 adopted under this paragraph. For all policies, contracts or certificates that are
42 executed, delivered, issued for delivery, continued or renewed in this State on or
43 after January 1, 2022, a carrier may not vary the premium rate due to age.

1 **Sec. 5. 24-A MRSA §2808-B, sub-§2, ¶C-1**, as enacted by PL 2011, c. 90, Pt. A,
2 §7, is amended to read:

3 C-1. A carrier may vary the premium rate due to geographic area in accordance with
4 the limitation set out in this paragraph. For all policies, contracts or certificates that
5 are executed, delivered, issued for delivery, continued or renewed in this State ~~on or~~
6 after between October 1, 2011 and December 31, 2021, the rating factor used by a
7 carrier for geographic area may not exceed 1.5. For all policies, contracts or certificates
8 that are executed, delivered, issued for delivery, continued or renewed in this State on
9 or after January 1, 2022, a carrier may not vary the premium rate due to geographic
10 area.

11 **Sec. 6. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,
12 §11, is further amended by amending subparagraph (8) to read:

13 (8) For all policies, contracts or certificates that are executed, delivered, issued for
14 delivery, continued or renewed in this State ~~on or after~~ between January 1, 2016
15 and December 31, 2021, except as provided in subparagraph (10), the maximum
16 rate differential due to age and group size filed by the carrier as determined by ratio
17 is 5 to 1 to the extent permitted by the federal Affordable Care Act. The limitation
18 does not apply for determining rates for an attained age of less than 19 years of age
19 or more than 65 years of age. For all policies, contracts or certificates that are
20 executed, delivered, issued for delivery, continued or renewed in this State on or
21 after January 1, 2022, a carrier may not vary the premium rate due to age.

22 **Sec. 7. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,
23 §11, is further amended by amending subparagraph (9) to read:

24 (9) For all policies, contracts or certificates that are executed, delivered, issued for
25 delivery, continued or renewed in this State ~~on or after~~ between October 1, 2011
26 and December 31, 2021, the maximum rate differential due to tobacco use filed by
27 the carrier as determined by ratio is 1.5 to 1, except that the carrier may not apply
28 a rate differential pursuant to this subparagraph when the covered individual is
29 participating in an evidence-based tobacco cessation strategy approved by the
30 United States Department of Health and Human Services, Food and Drug
31 Administration. For all policies, contracts or certificates that are executed,
32 delivered, issued for delivery, continued or renewed in this State on or after January
33 1, 2022, a carrier may not vary the premium rate due to tobacco use.

34 **Sec. 8. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,
35 §11, is further amended by amending subparagraph (10) to read:

36 (10) For all policies, contracts or certificates that are executed, delivered, issued
37 for delivery, continued or renewed in this State ~~on or after the effective date of this~~
38 Act between March 19, 2019 and December 31, 2021, the maximum rate
39 differential due to age filed by the carrier as determined by ratio is 3 to 1 for
40 individuals 21 years of age and older on the first day of coverage under the policy,
41 contract or certificate. The variation in rate due to age must be actuarially justified
42 for individuals under 21 years of age consistent with the uniform age rating curve
43 adopted under this paragraph. For all policies, contracts or certificates that are

1 executed, delivered, issued for delivery, continued or renewed in this State on or
2 after January 1, 2022, a carrier may not vary the premium rate due to age.

3 **Sec. 9. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,
4 §11, is further amended by enacting a new subparagraph (11) to read:

5 (11) For all policies, contracts or certificates that are executed, delivered, issued
6 for delivery, continued or renewed in this State between January 1, 2022 and
7 December 31, 2022, the maximum rate differential due to group size filed by the
8 carrier as determined by ratio is 3 to 1.

9 **Sec. 10. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,
10 §11, is further amended by enacting a new subparagraph (12) to read:

11 (12) For all policies, contracts or certificates that are executed, delivered, issued
12 for delivery, continued or renewed in this State between January 1, 2023 and
13 December 31, 2023, the maximum rate differential due to group size filed by the
14 carrier as determined by ratio is 2 to 1.

15 **Sec. 11. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,
16 §11, is further amended by enacting a new subparagraph (13) to read:

17 (13) For all policies, contracts or certificates that are executed, delivered, issued
18 for delivery, continued or renewed in this State on or after January 1, 2024, the
19 maximum rate differential due to group size filed by the carrier as determined by
20 ratio is 1.5 to 1.

21 SUMMARY

22 This bill prohibits insurance carriers providing individual health plans or small group
23 health plans from varying premium rates based on age, geographic location or tobacco use
24 on or after January 1, 2022. The bill also reduces the permitted variation based on group
25 size to 1.5 to 1 for small group plans over time.