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INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 423, L.D. 540, Bill, “An Act To Implement the Insurance Payment Reform Recommendations of the Advisory Council on Health Systems Development”

Amend the bill by striking out all of sections 1 to 4.

Amend the bill by striking out all of section 6 (page 2, lines 3 to 36 in L.D.) and inserting the following:

'Sec. 6. 24-A MRSA §4320 is enacted to read:

§4320. Payment reform pilot projects

1. Pilot projects. Beginning March 1, 2012, the superintendent may authorize pilot projects in accordance with this subsection that allow a health insurance carrier that offers health plans in this State to implement payment reform strategies with providers through an accountable care organization to reduce costs and improve the quality of patient care. For purposes of this section, "accountable care organization" means a group of health care providers operating under a payment agreement to provide health care services to a defined set of individuals with established benchmarks for the quality and cost of those health care services consistent with federal law and regulation.

A. The superintendent may approve a pilot project between a carrier and an accountable care organization that utilizes payment methodologies and purchasing strategies, including, but not limited to: alternatives to fee-for-service models, such as blended capitation rates, episodes-of-care payments, medical home models and global budgets; pay-for-performance programs; tiering of providers; and evidence-based purchasing strategies.

B. Prior to approving a pilot project, the superintendent shall consider whether the proposed pilot project is consistent with the principles for payment reform developed by the Advisory Council on Health Systems Development established under former Title 2, section 104.

COMMITTEE AMENDMENT

1 4. It requires that the Department of Professional and Financial Regulation, Bureau
2 of Insurance conduct an analysis of the costs and benefits of any approved pilot project
3 and report those findings to the Legislature.

4 5. It clarifies that the pilot project provision may not be construed to require carriers
5 to obtain prior approval from the Bureau of Insurance to engage in activities already
6 expressly permitted.

7 6. It removes provisions in the bill related to the Advisory Council on Health Systems
8 Development, which was repealed by Public Law 2011, chapter 90.