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Date: (Filing No. H- )

**HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
129TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 921, L.D. 1260, Bill, “An Act Regarding Short-term, Limited-duration Health Plans”

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

**Sec. 1. 24-A MRSA §2736-C, sub-§1, ¶C**, as amended by PL 2011, c. 238, Pt. D, §1, is further amended to read:

C. "Individual health plan" means any hospital and medical expense-incurred policy or health, hospital or medical service corporation plan contract. It includes both individual contracts and certificates issued under group contracts specified in section 2701, subsection 2, paragraph C. "Individual health plan" does not include the following types of insurance:

- (1) Accident;
- (2) Credit;
- (3) Disability;
- (4) Long-term care or nursing home care;
- (5) Medicare supplement;
- (6) Specified disease;
- (7) Dental or vision;
- (8) Coverage issued as a supplement to liability insurance;
- (9) Workers' compensation;
- (10) Automobile medical payment;

**COMMITTEE AMENDMENT**

1 (11) Insurance under which benefits are payable with or without regard to fault  
2 and that is required statutorily to be contained in any liability insurance policy or  
3 equivalent self-insurance; or

4 (12) Short-term, limited-duration policies, as described in section 2849-B,  
5 subsection 1.

6 **Sec. 2. 24-A MRSA §2849-B, sub-§1**, as amended by PL 2011, c. 90, Pt. G, §1,  
7 is further amended to read:

8 **1. Policies subject to this section.** This section applies to all individual, group and  
9 blanket medical insurance policies except hospital indemnity, specified accident,  
10 specified disease, long-term care and short-term, limited-duration policies issued by  
11 insurers or health maintenance organizations. For purposes of this section, a short-term,  
12 limited-duration policy is an individual, nonrenewable policy issued for a term that is ~~less~~  
13 ~~than 12 months~~ does not extend beyond December 31st of the calendar year in which the  
14 policy is issued. This section does not apply to Medicare supplement policies as defined  
15 in section 5001, subsection 4.

16 **Sec. 3. 24-A MRSA §2849-B, sub-§2**, as amended by PL 2007, c. 199, Pt. D, §4,  
17 is further amended to read:

18 **2. Persons provided continuity of coverage.** Except as provided in subsection 3,  
19 this section provides continuity of coverage for a person who seeks coverage under an  
20 individual, group or blanket insurance policy or health maintenance organization policy  
21 if:

22 A. That person was covered under an individual, group or blanket contract or policy  
23 issued by a nonprofit hospital or medical service organization, insurer, or health  
24 maintenance organization or was covered under an uninsured employee benefit plan  
25 that provides payment for health services received by employees and their dependents  
26 or a governmental program, including, but not limited to, those listed in section 2848,  
27 subsection 1-B, paragraph A, subparagraphs (3) to (10). For purposes of this section,  
28 the individual, group or blanket policy under which the person is seeking coverage is  
29 the "succeeding policy." The group, blanket or individual contract or policy,  
30 uninsured employee benefit plan or governmental program that previously covered  
31 the person is the "prior contract or policy"; and

32 B. Coverage under the prior contract or policy terminated:

33 (1) Within 180 days before the date the person enrolls or is eligible to enroll in  
34 the succeeding contract if:

35 (a) Coverage was terminated due to unemployment, as defined in Title 26,  
36 section 1043;

37 (b) The person was eligible for and received unemployment compensation  
38 benefits for the period of unemployment, as provided under Title 26, chapter  
39 13; and

40 (c) The person is employed at the time replacement coverage is sought under  
41 this provision; or

1 (2) Within 90 days before the date the person enrolls or is eligible to enroll in the  
2 succeeding contract.

3 A period of ineligibility for a health plan imposed by terms of employment may not  
4 be considered in determining whether the coverage ended within a time period  
5 specified under this section.

6 This section does not apply to replacements of group or blanket coverage within the  
7 scope of section 2849 or if the succeeding policy is an individual policy and the prior  
8 contract or policy was a short-term, limited-duration policy.

9 **Sec. 4. 24-A MRSA §2849-B, sub-§8**, as amended by PL 2011, c. 90, Pt. G, §2,  
10 is further amended to read:

11 **8. Short-term, limited-duration insurance.** A person eligible for continuity of  
12 coverage under subsection 2 may be allowed to purchase coverage under an individual,  
13 nonrenewable, short-term, limited-duration policy. The issuance of a short-term,  
14 limited-duration policy is subject to the following conditions.

15 A. Upon offering an individual short-term, limited-duration policy for purchase, an  
16 insurer or the insurer's agent or broker ~~must~~ shall provide written disclosure ~~of the~~  
17 ~~terms and benefits of the policy as required in this paragraph in at least 14-point type.~~  
18 ~~Specific disclosure that the short-term policy is not subject to any limitation on~~  
19 ~~preexisting condition exclusions or the provisions of guaranteed renewal and~~  
20 ~~continuity of coverage is required.~~ An insurer or the insurer's agent or broker shall  
21 specifically disclose:

22 (1) A summary of plan benefits, limits and exclusions in a standardized format  
23 similar to the format required for a qualified health plan under the federal  
24 Affordable Care Act that is specific to the exact policy being offered for purchase  
25 in this State, including, but not limited to, information about the circumstances in  
26 which covered benefits may be subject to balance billing and examples of how  
27 charges may be applied toward any cost sharing under the policy and billed to the  
28 individual policyholder; and

29 (2) A comparison of the short-term, limited-duration policy to a qualified health  
30 plan in the terms, benefits and conditions of the policy, any exclusions, medical  
31 loss ratio requirements or the provisions of guaranteed renewal and continuity of  
32 coverage.

33 B. An insurer or the insurer's agent or broker may ~~not~~ issue a short-term,  
34 limited-duration policy that replaces a prior short-term, limited-duration policy if as  
35 long as the combined term of the new policy and all prior ~~suecessive~~ policies does not  
36 exceed 24 months and the individual has not been covered under any prior short-  
37 term, limited-duration policy for at least 12 months. All individuals making an  
38 application for coverage under a short-term, limited-duration policy must disclose  
39 any prior coverage under a short-term, limited-duration policy and the policy  
40 duration.

41 C. An insurer or the insurer's agent or broker may not issue a short-term, limited-  
42 duration policy unless it has been sold through an in-person encounter.



