

Date:

(Filing No. S-)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

132ND LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to S.P. 381, L.D. 893, “An Act to Exempt Nonprofit Agricultural Membership Organizations from Insurance Requirements”

Amend the bill by striking out all of section 2 and inserting the following:

'Sec. 2. 24-A MRSA §704, sub-§4 is enacted to read:

4. Nonprofit agricultural membership organization. As used in this Title and Title 24, the use of "health insurance" and related terms such as "accident and health insurance," "accident and sickness insurance," "carrier," "health," "health benefit plan," "health care," "health insurer" or "insurer" do not include, unless specifically provided otherwise in the law, a nonprofit agricultural membership organization providing health care benefits in accordance with this subsection, and a nonprofit agricultural membership organization providing health care benefits in accordance with this subsection may not be considered to be engaged in the business of insurance for the purposes of this Title.

A. For the purposes of this subsection, "nonprofit agricultural membership organization" means a statewide nonprofit agricultural membership organization that is exempt from taxation under the federal Internal Revenue Code of 1986 and that:

(1) Has been in existence continuously since December 31, 1951;

(2) Provides health care benefits coverage for the payment of medical expenses to or for members of the organization, their dependents and others who provide documentation of one of the following:

(a) That the farm owned or operated by the member meets the United States Department of Agriculture, National Agricultural Statistics Service, Census of Agriculture definition of a farm in the most recent census year;

(b) The filing of Schedule F or a substantially similar form with the federal Internal Revenue Service for the most recent tax year;

(c) The filing of Schedule C or a substantially similar form with the federal Internal Revenue Service for the most recent tax year if the principal business or professional activity reported is agriculture-related;

(d) Is employed by an agricultural or agriculture-related business; or

(e) Is employed by a statewide nonprofit agricultural membership organization; and

(3) Files an annual certified actuarial statement of plan reserves with the superintendent in a form and manner determined by the superintendent.

B. At the time an initial application for coverage for health care benefits is taken with respect to new applicants and upon renewal of coverage with respect to persons previously covered, the nonprofit agricultural membership organization, or a 3rd party acting on behalf of the organization, shall provide to the applicant or covered person a written notice stating that:

(1) The coverage is not provided by an insurance company;

(2) The plan is not subject to the laws and rules relating to insurance companies;

(3) The plan is not under the jurisdiction of the superintendent; and

(4) If the plan does not pay medical expenses that are eligible for payment under the plan for any reason, the individuals covered by the plan may be liable for such expenses.

C. A nonprofit agricultural membership organization, or a 3rd party acting on behalf of the organization, offering coverage for health care benefits shall require all new applicants to complete a navigation process with the nonprofit agricultural membership organization or the organization's designee to explore other health coverage options prior to enrolling in coverage offered by the organization.

D. A nonprofit agricultural membership organization, or a 3rd party acting on behalf of the organization, offering coverage for health care benefits shall establish a complaint procedure for resolving disputes related to coverage that is substantially similar to the process for resolving disputes related to coverage subject to the requirements of this Title.'

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

SUMMARY

This amendment, which is the minority report, adds certain requirements that statewide nonprofit agricultural membership organizations must meet in order to be exempt from the definition of "health insurance," including requirements for eligibility for coverage as a farmer; requirements for financial documentation; requirements for education about other health coverage options and for disclosure prior to a farmer's enrolling in coverage; and requirements for a complaint mechanism to resolve disputes.