

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND NINETEEN

H.P. 921 - L.D. 1260

An Act Regarding Short-term, Limited-duration Health Plans**Be it enacted by the People of the State of Maine as follows:**

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;
- (11) Insurance under which benefits are payable with or without regard to fault and that is required statutorily to be contained in any liability insurance policy or equivalent self-insurance; or
- (12) Short-term, limited-duration policies, as described in section 2849-B, subsection 1.

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

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

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

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

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

B. Coverage under the prior contract or policy terminated:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. An insurer or the insurer's agent or broker may not actively market or sell any short-term, limited-duration policy during any open enrollment period, except for a short-term, limited-duration policy that terminates coverage on December 31st of the calendar year in which it is sold.

E. Upon offering an individual short-term, limited-duration policy for purchase, an insurer or the insurer's agent or broker shall assess an individual making an

application for eligibility for an advanced premium tax credit or cost-sharing reduction for coverage under a qualified health plan purchased on the exchange pursuant to the federal Affordable Care Act, as defined in section 2188, subsection 1, paragraph A, and shall provide an estimate of the cost for coverage under a qualified health plan after applying any advanced premium tax credit or cost-sharing reduction.

F. An insurer or the insurer's agent or broker shall make the documents and information required to be disclosed under paragraph A upon offering an individual short-term, limited-duration policy for purchase available through the insurer's publicly accessible website.

G. An insurer or the insurer's agent or broker shall provide, upon the purchase of a short-term, limited-duration policy; upon the expiration of the policy; and, if the policy is in effect during an open enrollment period, on November 1st of the calendar year in which the policy was sold, written notice of the following:

(1) Disclosure that a short-term, limited-duration policy is not considered minimum essential coverage under the federal Affordable Care Act and that termination of a policy is not a qualifying event for a special enrollment period; and

(2) The dates for the next open enrollment period, the website address for the publicly accessible website of the exchange, as defined in section 2188, subsection 1, paragraph A, and the toll-free telephone number for the exchange.

Sec. 5. Bureau of Insurance bulletin. No later than 30 days following the effective date of this Act, the Department of Professional and Financial Regulation, Bureau of Insurance shall issue a bulletin related to short-term, limited-duration health insurance policies describing the statutory requirements for the policies, including the requirements enacted in this Act and the required mandated benefits applicable to all short-term, limited-duration policies.

Sec. 6. Application. The requirements of this Act apply to all short-term, limited-duration health insurance policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2020. For purposes of this Act, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.