

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND AND THIRTEEN

S.P. 404 - L.D. 1167

An Act Regarding the Maine Guaranteed Access Reinsurance Association

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

Sec. 1. 24-A MRSA §3953, sub-§1, as enacted by PL 2011, c. 90, Pt. B, §8, is amended to read:

1. Guaranteed access reinsurance mechanism established. The Maine Guaranteed Access Reinsurance Association is established as a nonprofit legal entity. As a condition of doing business in the State, an insurer that has issued or administered medical insurance within the previous 12 months or is actively marketing a medical insurance policy or medical insurance administrative services in this State must participate in the association. The Dirigo Health Program established in chapter 87 and any other state-sponsored health benefit program shall also participate in the association. Except as provided in section 3962, operations of the association are suspended and the association may not collect assessments as provided in section 3957, provide reinsurance for member insurers under section 3958 or provide reimbursement for member insurers under section 3961 as of the date on which a transitional reinsurance program established under the authority of Section 1341 of the federal Affordable Care Act commences operations in this State through the date the federal program ceases operations in this State.

Sec. 2. 24-A MRSA §3953, sub-§2, ¶A, as enacted by PL 2011, c. 90, Pt. B, §8, is amended to read:

A. The board consists of ~~44~~ 12 members appointed as described in this paragraph:

(1) ~~Six~~ Seven members appointed by the superintendent: 2 members chosen from the general public and who are not associated with the medical profession, a hospital ~~or~~, an insurer or a producer; 2 members who represent medical providers; one member who represents individual health insurance consumers who is not associated or formerly associated with the medical profession, a hospital, an insurer or a producer; one member who represents a statewide organization that represents small businesses; and one member who represents

producers. A board member appointed by the superintendent may not be removed without cause; and

(2) Five members appointed by the member insurers, at least one of whom is a domestic insurer and at least one of whom is a 3rd-party administrator.

Sec. 3. 24-A MRSA §3953, sub-§2, ¶¶E to G are enacted to read:

E. The board shall establish regular places and times for meetings and may meet at other times at the call of the chair. The board shall post notice of scheduled meetings, meeting agendas and minutes of meetings on a publicly accessible website maintained by the association.

F. The board shall establish a mechanism on its publicly accessible website for the public to submit comments on matters related to the operations of the association.

G. The board shall establish a process for taking public comment at selected board meetings to be held at such time and place as the board may determine. The opportunity for public comment must be made available not less often than quarterly. Except as specified in this paragraph, meetings of the board are not open to the public.

Sec. 4. 24-A MRSA §3962 is enacted to read:

§3962. Activities authorized during suspension period

This section governs the suspension of operations of the association during the period in which the transitional reinsurance program pursuant to Section 1341 of the federal Affordable Care Act operates in this State and the authority of the association to conduct certain activities.

1. Payment of claims. The association shall pay claims eligible under sections 3958 and 3961 that were incurred prior to the commencement of the suspension of the association pursuant to section 3953, subsection 1.

2. Additional assessment for net losses. The association may impose any additional assessment necessary to fund net losses of the association pursuant to section 3957, subsection 5.

3. Amended plan of operation. Within 6 months following the implementation of the federal transitional reinsurance program in this State, the association shall submit an amended plan of operation as provided in section 3953, subsection 3 to the superintendent for approval. In amending the plan of operation, the association shall, at a minimum, include a plan for the application of any funds held by the association as of its suspension, the investment of any funds held by the association during its period of suspension, the reactivation of the association upon termination of the federal transitional reinsurance program and, if necessary, the distribution of any surplus funds not required for such purposes. Prior to approving an amended plan of operation submitted under this subsection, the superintendent shall post the amended plan of operation on the bureau's publicly accessible website and establish a comment period of at least 30 days during which the public may submit for consideration written and electronic comments on the

amended plan of operation. At the time of approval of any amended plan of operation, the superintendent shall adopt a written statement addressing specific comments and concerns expressed about the amended plan of operation and state the superintendent's rationale for adopting or not adopting any changes to the amended plan of operation or making findings and recommendations that differ from those expressed about the amended plan of operation.

4. Exception. This section does not apply if federal law or regulation exempts the State from participation in the transitional reinsurance program pursuant to Section 1341 of the federal Affordable Care Act.

Sec. 5. Evaluation of Maine Guaranteed Access Reinsurance Association.

During the First Regular Session of the 127th Legislature, the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters shall conduct a review and evaluation of the transitional reinsurance program operating in the State between January 1, 2014 and December 31, 2016 pursuant to the federal Patient Protection and Affordable Care Act and federal regulations adopted pursuant to that Act and the differences between the transitional reinsurance program and the Maine Guaranteed Access Reinsurance Association as established by the Maine Revised Statutes, Title 24-A, chapter 54-A. Before January 1, 2016, the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters shall make a recommendation to the Superintendent of Insurance as to whether the Maine Guaranteed Access Reinsurance Association should resume operations pursuant to a revised plan of operation and whether any changes should be made to the statutes governing the association. The joint standing committee of the Legislature having jurisdiction over insurance and financial services matters may submit a bill based on its evaluation to the Second Regular Session of the 127th Legislature.