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

HOUSE AMENDMENT " " to COMMITTEE AMENDMENT "A" to H.P. 979, L.D. 1333, Bill, "An Act To Modify Rating Practices for Individual and Small Group Health Plans and To Encourage Value-based Purchasing of Health Care Services"

Amend the amendment in Part A in section 1 by striking out all of paragraph C (page 1, lines 17 to 21 in amendment) and inserting the following:

'C. A carrier may vary the premium rate due to ~~smoking status and~~ family membership. ~~The superintendent may adopt rules setting forth appropriate methodologies regarding rate discounts based on smoking status.~~ Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter H-A 2-A.'

Amend the amendment in Part A by inserting after section 1 the following:

'Sec. A-2. 24-A MRSA §2736-C, sub-§2, ¶C-1 is enacted to read:

C-1. A carrier may vary the premium rate due to geographic area in accordance with the limitation set out in this paragraph. For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 2012, the rating factor used by a carrier for geographic area may not exceed 1.5.'

Amend the amendment in Part A in section 2 in paragraph D in the first and 2nd lines (page 1, lines 24 and 25 in amendment) by striking out the following: "age and ~~geographic area~~" and inserting the following: 'age and geographic area and'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (5) in the 3rd line (page 2, line 31 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (5) in the 5th line (page 2, line 33 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 3.'

1 Amend the amendment in Part A in section 2 in paragraph D in subparagraph (6) in
2 the 3rd line (page 2, line 36 in amendment) by inserting after the following: "age" the
3 following: 'and geographic area'

4 Amend the amendment in Part A in section 2 in paragraph D in subparagraph (6) in
5 the 5th line (page 2, line 38 in amendment) by inserting after the following: "65 years of
6 age." the following: 'In determining the rating factor for geographic area pursuant to this
7 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
8 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
9 rating factors for age and geographic area may not exceed 4.'

10 Amend the amendment in Part A in section 2 in paragraph D in subparagraph (7) in
11 the 3rd line (page 2, line 41 in amendment) by inserting after the following: "age" the
12 following: 'and geographic area'

13 Amend the amendment in Part A in section 2 in paragraph D in subparagraph (7) in
14 the 5th line (page 2, line 43 in amendment) by inserting after the following: "65 years of
15 age." the following: 'In determining the rating factor for geographic area pursuant to this
16 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
17 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
18 rating factors for age and geographic area may not exceed 5.'

19 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (1) in
20 the 3rd line (page 3, line 16 in amendment) by inserting after the following: "age" the
21 following: 'and geographic area'

22 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (1) in
23 the last line (page 3, line 18 in amendment) by inserting after the following: "65 years of
24 age." the following: 'In determining the rating factor for geographic area pursuant to this
25 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
26 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
27 rating factors for age and geographic area may not exceed 2.'

28 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (2) in
29 the 3rd line (page 3, line 21 in amendment) by inserting after the following: "age" the
30 following: 'and geographic area'

31 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (2) in
32 the last line (page 3, line 23 in amendment) by inserting after the following: "65 years of
33 age." the following: 'In determining the rating factor for geographic area pursuant to this
34 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
35 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
36 rating factors for age and geographic area may not exceed 2.5.'

37 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (3) in
38 the 3rd line (page 3, line 26 in amendment) by inserting after the following: "age" the
39 following: 'and geographic area'

40 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (3) in
41 the 5th line (page 3, line 28 in amendment) by inserting after the following: "65 years of
42 age." the following: 'In determining the rating factor for geographic area pursuant to this
43 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for

1 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
2 rating factors for age and geographic area may not exceed 3.'

3 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (4) in
4 the 3rd line (page 3, line 31 in amendment) by inserting after the following: "age" the
5 following: 'and geographic area'

6 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (4) in
7 the 5th line (page 3, line 33 in amendment) by inserting after the following: "65 years of
8 age." the following: 'In determining the rating factor for geographic area pursuant to this
9 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
10 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
11 rating factors for age and geographic area may not exceed 4.'

12 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (5) in
13 the 3rd line (page 3, line 36 in amendment) by inserting after the following: "age" the
14 following: 'and geographic area'

15 Amend the amendment in Part A in section 4 in paragraph I in subparagraph (5) in
16 the 5th line (page 3, line 38 in amendment) by inserting after the following: "65 years of
17 age." the following: 'In determining the rating factor for geographic area pursuant to this
18 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
19 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
20 rating factors for age and geographic area may not exceed 5.'

21 Amend the amendment in Part A in section 5 in paragraph C in the first and 2nd lines
22 (page 4, lines 16 and 17 in amendment) by striking out the following: "geographic area."

23 Amend the amendment in Part A in section 5 in paragraph C in the 5th line (page 4,
24 line 20 in amendment) by striking out the following: "geographic area."

25 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (4) in
26 the 3rd line (page 4, line 43 in amendment) by inserting after the following: "age" the
27 following: 'and geographic area'

28 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (4) in
29 the last line (page 5, line 2 in amendment) by inserting after the following: "65 years of
30 age." the following: 'In determining the rating factor for geographic area pursuant to this
31 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
32 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
33 rating factors for age and geographic area may not exceed 2.'

34 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (5) in
35 the 3rd line (page 5, line 5 in amendment) by inserting after the following: "age" the
36 following: 'and geographic area'

37 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (5) in
38 the last line (page 5, line 7 in amendment) by inserting after the following: "65 years of
39 age." the following: 'In determining the rating factor for geographic area pursuant to this
40 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
41 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
42 rating factors for age and geographic area may not exceed 2.5.'

1 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (6) in
2 the 3rd line (page 5, line 10 in amendment) by inserting after the following: "age" the
3 following: 'and geographic area'

4 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (6) in
5 the 5th line (page 5, line 12 in amendment) by inserting after the following: "65 years of
6 age." the following: 'In determining the rating factor for geographic area pursuant to this
7 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
8 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
9 rating factors for age and geographic area may not exceed 3.'

10 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (7) in
11 the 3rd line (page 5, line 15 in amendment) by inserting after the following: "age" the
12 following: 'and geographic area'

13 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (7) in
14 the 5th line (page 5, line 17 in amendment) by inserting after the following: "65 years of
15 age." the following: 'In determining the rating factor for geographic area pursuant to this
16 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
17 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
18 rating factors for age and geographic area may not exceed 4.'

19 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (8) in
20 the 3rd line (page 5, line 20 in amendment) by inserting after the following: "age" the
21 following: 'and geographic area'

22 Amend the amendment in Part A in section 6 in paragraph D in subparagraph (8) in
23 the 5th line (page 5, line 22 in amendment) by inserting after the following: "65 years of
24 age." the following: 'In determining the rating factor for geographic area pursuant to this
25 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
26 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
27 rating factors for age and geographic area may not exceed 5.'

28 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (1) in
29 the 3rd line (page 5, line 38 in amendment) by inserting after the following: "age" the
30 following: 'and geographic area'

31 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (1) in
32 the last line (page 5, line 40 in amendment) by inserting after the following: "65 years of
33 age." the following: 'In determining the rating factor for geographic area pursuant to this
34 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
35 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
36 rating factors for age and geographic area may not exceed 2.'

37 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (2) in
38 the 3rd line (page 6, line 1 in amendment) by inserting after the following: "age" the
39 following: 'and geographic area'

40 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (2) in
41 the last line (page 6, line 3 in amendment) by inserting after the following: "65 years of
42 age." the following: 'In determining the rating factor for geographic area pursuant to this
43 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for

1 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
2 rating factors for age and geographic area may not exceed 2.5.'

3 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (3) in
4 the 3rd line (page 6, line 6 in amendment) by inserting after the following: "age" the
5 following: 'and geographic area'

6 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (3) in
7 the 5th line (page 6, line 8 in amendment) by inserting after the following: "65 years of
8 age." the following: 'In determining the rating factor for geographic area pursuant to this
9 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
10 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
11 rating factors for age and geographic area may not exceed 3.'

12 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (4) in
13 the 3rd line (page 6, line 11 in amendment) by inserting after the following: "age" the
14 following: 'and geographic area'

15 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (4) in
16 the 5th line (page 6, line 13 in amendment) by inserting after the following: "65 years of
17 age." the following: 'In determining the rating factor for geographic area pursuant to this
18 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
19 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
20 rating factors for age and geographic area may not exceed 4.'

21 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (5) in
22 the 3rd line (page 6, line 16 in amendment) by inserting after the following: "age" the
23 following: 'and geographic area'

24 Amend the amendment in Part A in section 8 in paragraph H in subparagraph (5) in
25 the 5th line (page 6, line 18 in amendment) by inserting after the following: "65 years of
26 age." the following: 'In determining the rating factor for geographic area pursuant to this
27 subparagraph, the ratio between the highest and lowest rating factor used by a carrier for
28 geographic area may not exceed 1.5 and the ratio between highest and lowest combined
29 rating factors for age and geographic area may not exceed 5.'

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

32 SUMMARY

33 Committee Amendment "A" changes the laws governing community rating for
34 individual and small group health insurance as they relate to age, smoking status and
35 geographic area. This amendment eliminates the changes relating to geographic area,
36 thus including rating on the basis of geographic area inside of the rating bands for age

1 instead of allowing rating outside of the bands.

2 This amendment further restricts rating on the basis of geographic area within the
3 bands to a factor of 1.5.

4 **SPONSORED BY:** _____

5 **(Representative GOODE)**

6 **TOWN: Bangor**