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STATE OF MAINE
ONE HUNDRED AND THIRTY SECOND LEGISLATURE
COMMITTEE ON HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

MEMORANDUM

TO: Senator Margaret Rotundo, Senate Chair
Representative Drew Gattine, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Donna Bailey, Senate Chair *DB*
Representative Kristi Mathieson, House Chair *KM (Chair)*
Joint Standing Committee on Health Coverage, Insurance and Financial Services

DATE: January 28, 2025

RE: Health Coverage, Insurance and Financial Services Committee’s Recommendations on the Governor’s Supplemental Budget Bill (LD 209)

We are writing to provide the recommendations of the Joint Standing Committee on Health Coverage, Insurance and Financial Services on the initiatives under the committee’s policy jurisdiction included in the Governor’s Supplemental Budget Bill (LD 209). These items were considered in a joint public hearing on January 23, 2025. At a separate work session on January 28, 2025, the committee reviewed and discussed these initiatives. We make the following recommendations.

The members present at the January 28th meeting voted as follows on the initiatives:

- 11-0¹ **IN** on the Department of Administrative and Financial Services, State Mandate Defrayal Z373 (Ref. #15)

While all members who voted support the reduction in funding to support the ongoing costs of defrayal for the cost of mandating coverage for fertility services, the following members of the committee also recommend the repeal of Public Law 2021, chapter 692, An Act To Provide Access to Fertility Care for all state-regulated health plans: Rep. Foley, Rep. Cimino, Rep. Flynn, Rep. Morris and Rep. Olsen.

- 8-3² **OUT as Amended** on Part K language

Those members voting in favor of this motion recommend the removal of Part K from LD 209 as amended. The members recommend that the provisions of the Maine Revised Statutes, Title 22, section

¹ Voting in favor were Sen. Bailey, Rep. Mathieson, Rep. Arford, Rep. Boyer, Rep. Cluchey, Rep. Mastraccio, Rep. Foley, Rep. Cimino, Rep. Flynn, Rep. Morris and Rep. Olsen. Absent were Sen. Baldacci and Sen. Haggan.

² Voting in favor were Sen. Bailey, Rep. Mathieson, Rep. Cluchey, Rep. Mastraccio, Rep. Foley, Rep. Flynn, Rep. Morris and Rep. Olsen. Voting in opposition were Rep. Arford, Rep. Boyer, and Rep. Cimino. Absent were Sen. Baldacci and Sen. Haggan.

259, subsection 1-D and subsection 3 be retained in law as amended to reduce the required funding for federally-qualified health centers in fiscal year 24-25 from \$4 million to \$3.3 million. The members recommend that this \$3.3 million in funding should come from the reduction in the State Mandate Defrayal account as described in the first initiative. We will be happy to provide draft language at the committee's request.

Although two of the members who voted against the motion³ support the majority's recommendation that the language in Part K be removed, these members recommend that the \$3.3 million in funding that reverts to the General Fund from the reduction in the State Mandate Defrayal account should be split: half of that amount should be appropriated to federally-qualified health centers as provided in the Maine Revised Statutes, Title 22, section 259, subsection 1-D and subsection 3 and half of that amount should be appropriated to support cost-of-living adjustments for reimbursement rates for essential support workers pursuant to the Maine Revised Statutes, Title 22, section 7402.

One member who voted against the motion⁴ does not support the committee's recommended use of General Fund funding from these purposes.

Attached please find the "HCIFS report-back template" on which Committee votes on the individual budget initiatives are recorded.

Please let us know if we can provide any additional information or assistance in connection with budget items related to the agencies under our jurisdiction. Thank you for your consideration of our recommendations.

Cc: Members, Joint Standing Committee on Health Coverage, Insurance and Financial Services
Members, Joint Standing Committee on Appropriations and Financial Affairs

³ Rep. Arford and Rep. Boyer voted in this manner.

⁴ Rep. Cimino voted in this manner.

Sec. A-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

State Benefit Mandate Defrayal Z373

Initiative: Reduces funding for the cost of the benefit mandate providing coverage of infertility treatment under Public Law 2021, chapter 692.

Ref. #: 15	One Time	Committee Vote: <u>11-0*</u>	AFA Vote _____		
		*5 members also recommend repeal of PL 2021, chapter 692: Foley, Cimino, Flynn, Morris and Olsen			
GENERAL FUND			2024-25	2025-26	2026-27
All Other			(\$3,300,000)	\$0	\$0
GENERAL FUND TOTAL			<u>(\$3,300,000)</u>	<u>\$0</u>	<u>\$0</u>

Justification:

This initiative reduces funding for the cost of the benefit mandate providing coverage of infertility treatment based on updated actuarial estimates. The defrayal account and payment process is shared between DAFS and the Bureau of Insurance (BOI). The Program is in DAFS; rules and mandate studies to estimate defrayal costs as well as finalizing actual payments are in BOI. Once determined through the BOI process, DAFS will issue the payments to the relevant carriers.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2024-25	2025-26	2026-27
GENERAL FUND	(\$3,300,000)	\$0	\$0
DEPARTMENT TOTAL- ALL FUNDS	<u>(\$3,300,000)</u>	<u>\$0</u>	<u>\$0</u>

Committee Vote: 8-3 OUT as Amended;
In favor: Bailey, Mathieson, Cluchey, Mastraccio,
Foley, Flynn, Morris and Olsen
Opposed: Arford, Boyer and Cimino

PART K

Sec. K-1. 22 MRSA §259, sub-§1-D and sub-§3, as enacted by PL 2023, c. 643, Pt. QQ, §3 and §4, are repealed.

PART K SUMMARY