



# 125th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2012

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Legislative Document

No. 1670

S.P. 569

In Senate, December 21, 2011

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### **An Act To Extend the Scope of the Maine Guaranteed Access Reinsurance Association**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 19, 2011. Referred to the Committee on Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 218.

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.  
Secretary of the Senate

Presented by Senator COURTNEY of York.

Cosponsored by Senators: LANGLEY of Hancock, PLOWMAN of Penobscot, President RAYE of Washington, SNOWE-MELLO of Androscoggin, WHITTEMORE of Somerset, Representatives: McKANE of Newcastle, MORISSETTE of Winslow.

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

2 **Sec. 1. 24-A MRSA §3952, sub-§9**, as enacted by PL 2011, c. 90, Pt. B, §8, is  
3 amended to read:

4 **9. Member insurer.** "Member insurer" means an insurer that offers individual  
5 health plans and is actively marketing individual health plans in this State, or that offers  
6 small group health plans to groups of 10 or fewer members and is actively marketing  
7 small group health plans to groups of 10 or fewer members in this State.

8 **Sec. 2. 24-A MRSA §3958, sub-§1**, as enacted by PL 2011, c. 90, Pt. B, §8, is  
9 amended to read:

10 **1. Reinsurance amount.** A member insurer ~~offering an individual health plan~~ must  
11 be reinsured by the association to the level of coverage provided in this subsection and is  
12 liable to the association for the reinsurance premium rate established in accordance with  
13 subsection 2.

14 A. The association may not reimburse a member insurer with respect to claims of a  
15 person designated for reinsurance by the member insurer pursuant to section 3959  
16 until the insurer has incurred an initial level of claims for that person of \$7,500 for  
17 covered benefits in a calendar year. In addition, the insurer is responsible for 10% of  
18 the next \$25,000 of claims paid during a calendar year. The association shall  
19 reimburse insurers for claims paid in excess of \$32,500. The association may  
20 annually adjust the initial level of claims and the maximum limit to be retained by the  
21 insurer to reflect increases in costs and utilization within the standard market ~~for~~  
22 ~~individual health plans within~~ in the State. The adjustments may not be less than the  
23 annual change in the Consumer Price Index for medical care services unless the  
24 superintendent approves a lower adjustment factor as requested by the association.

25 B. An insurer shall apply all managed care, utilization review, case management,  
26 preferred provider arrangements, claims processing and other methods of operation  
27 without regard to whether claims paid for coverage are reinsured under this  
28 subsection.

29 **SUMMARY**

30 This bill extends the provisions of the law governing the Maine Guaranteed Access  
31 Reinsurance Association to insurers that offer small group health plans to groups of 10 or  
32 fewer members.