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Date: (Filing No. H-)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1186, L.D. 1650, Bill, “An Act To Strengthen Consumer Protections in Health Care”

Amend the bill by striking out everything after the enacting clause and inserting the following:

'PART A

Sec. A-1. 24-A MRSA §2735-A, sub-§1, as amended by PL 2011, c. 364, §1, is further amended to read:

1. Notice of rate filing or rate increase on existing policies. An insurer offering individual health plans as defined in section 2736-C must provide written notice by first class mail of a rate filing to all affected policyholders at least 60 days before the effective date of any proposed increase in premium rates or any proposed rating formula, classification of risks or modification of any formula or classification of risks. ~~Except as otherwise provided in section 2736-C, subsection 2-B, the~~ The notice must also inform policyholders of their right to request a hearing pursuant to section 229. The notice must show the proposed rate and, ~~unless otherwise provided in section 2736-C, subsection 2-B,~~ state that the rate is subject to regulatory approval. ~~Except as otherwise provided in section 2736-C, subsection 2-B, the~~ The superintendent may not take final action on a rate filing until 40 days after the date notice is mailed by an insurer. An increase in premium rates may not be implemented until 60 days after the notice is provided or until the effective date under section 2736, whichever is later.

Sec. A-2. 24-A MRSA §2736-A, first ¶, as amended by PL 2011, c. 364, §2, is further amended to read:

If at any time the superintendent has reason to believe that a filing does not meet the requirements that rates not be excessive, inadequate or unfairly discriminatory or that the filing violates any of the provisions of chapter 23, the superintendent shall cause a hearing to be held. If a filing proposes an increase in rates in an individual health plan as defined in section 2736-C, the superintendent shall cause a hearing to be held ~~at the~~

COMMITTEE AMENDMENT

1 request of the Attorney General. In any hearing conducted under this section, the insurer
2 has the burden of proving rates are not excessive, inadequate or unfairly discriminatory.

3 **Sec. A-3. 24-A MRSA §2736-C, sub-§5**, as amended by PL 2019, c. 5, Pt. A,
4 §6, is further amended to read:

5 **5. Loss ratios.** ~~Except as provided in subsection 2-B, for~~ For all policies and
6 certificates issued on or after the effective date of this section, the superintendent shall
7 disapprove any premium rates filed by any carrier, whether initial or revised, for an
8 individual health policy unless it is anticipated that the medical loss ratio calculated under
9 section 4319 will be at least 80%.

10 **Sec. A-4. Application.** Those sections of this Part that amend the Maine Revised
11 Statutes, Title 24-A, sections 2735-A, 2736-A and 2736-C apply to individual health plan
12 rate filings submitted by an insurer or a carrier to the Department of Professional and
13 Financial Regulation, Bureau of Insurance pursuant to Title 24-A, sections 2736 and
14 2736-C for the 2022 plan or policy year and thereafter.

15 **PART B**

16 **Sec. B-1. 24-A MRSA §2736-C, sub-§2, ¶C-1**, as enacted by PL 2011, c. 90,
17 Pt. A, §2, is repealed.

18 **Sec. B-2. 24-A MRSA §2736-C, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt.
19 A, §3, is further amended to read:

20 D. A carrier may vary the premium rate due to age, geographic area and tobacco use
21 in accordance with the limitations set out in this paragraph. A carrier that varies the
22 premium rate due to age must vary the premium rate according to a uniform age
23 curve. The superintendent shall adopt rules establishing a uniform age curve that is
24 substantially similar to the age curve in effect on January 1, 2019 under the federal
25 Affordable Care Act. Rules adopted under this paragraph are routine technical rules
26 as defined in Title 5, chapter 375, subchapter 2-A.

27 (1) For all policies, contracts or certificates that are executed, delivered, issued
28 for delivery, continued or renewed in this State between December 1, 1993 and
29 July 14, 1994, the premium rate may not deviate above or below the community
30 rate filed by the carrier by more than 50%.

31 (2) For all policies, contracts or certificates that are executed, delivered, issued
32 for delivery, continued or renewed in this State between July 15, 1994 and July
33 14, 1995, the premium rate may not deviate above or below the community rate
34 filed by the carrier by more than 33%.

35 (3) For all policies, contracts or certificates that are executed, delivered, issued
36 for delivery, continued or renewed in this State between July 15, 1995 and June
37 30, 2012, the premium rate may not deviate above or below the community rate
38 filed by the carrier by more than 20%.

39 (5) For all policies, contracts or certificates that are executed, delivered, issued
40 for delivery, continued or renewed in this State between July 1, 2012 and

1 December 31, 2013, the maximum rate differential due to age filed by the carrier
2 as determined by ratio is 3 to 1. The limitation does not apply for determining
3 rates for an attained age of less than 19 years of age or more than 65 years of age.

4 (6) For all policies, contracts or certificates that are executed, delivered, issued
5 for delivery, continued or renewed in this State between January 1, 2014 and
6 December 31, 2014, the maximum rate differential due to age filed by the carrier
7 as determined by ratio is 4 to 1 to the extent permitted by the federal Affordable
8 Care Act. The limitation does not apply for determining rates for an attained age
9 of less than 19 years of age or more than 65 years of age.

10 (7) For all policies, contracts or certificates that are executed, delivered, issued
11 for delivery, continued or renewed in this State on or after January 1, 2015,
12 except as provided in subparagraph ~~(9)~~ (10), the maximum rate differential due to
13 age filed by the carrier as determined by ratio is 5 to 1 to the extent permitted by
14 the federal Affordable Care Act. The limitation does not apply for determining
15 rates for an attained age of less than 19 years of age or more than 65 years of age.

16 (8) For all policies, contracts or certificates that are executed, delivered, issued
17 for delivery, continued or renewed in this State ~~on or after~~ between July 1, 2012
18 and December 31, 2021, the maximum rate differential due to tobacco use filed
19 by the carrier as determined by ratio is 1.5 to 1, except that the carrier may not
20 apply a rate differential pursuant to this subparagraph when the covered
21 individual is participating in an evidence-based tobacco cessation strategy
22 approved by the United States Department of Health and Human Services, Food
23 and Drug Administration.

24 ~~(9) For all policies, contracts or certificates that are executed, delivered, issued~~
25 ~~for delivery, continued or renewed in this State on or after the effective date of~~
26 ~~this subparagraph, the maximum rate differential due to age filed by the carrier as~~
27 ~~determined by ratio is 3 to 1 for individuals 21 years of age and older on the first~~
28 ~~day of coverage under the policy, contract or certificate. The variation in rate due~~
29 ~~to age must be actuarially justified for individuals under 21 years of age~~
30 ~~consistent with the uniform age rating curve adopted under this paragraph.~~

31 (10) For all policies, contracts or certificates that are executed, delivered, issued
32 for delivery, continued or renewed in this State on or after January 1, 2022, for
33 each individual health plan offered by a carrier, the highest premium rate for each
34 rating tier may not exceed 2.5 times the premium rate that could be charged to an
35 eligible individual with the lowest premium rate for that rating tier in a given
36 rating period. For purposes of this subparagraph, "rating tier" means each
37 category of individual or family composition for which a carrier charges separate
38 rates.

39 (a) 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
41 carrier for geographic area may not exceed 1.5 and the ratio between highest
42 and lowest combined rating factors for age and geographic area may not
43 exceed 2.5.

1 (b) In determining rating factors for age and geographic area pursuant to this
2 subparagraph, rates must take into account the savings resulting from the
3 reinsurance program created by chapter 54-A.

4 (c) The superintendent shall adopt rules setting forth appropriate
5 methodologies regarding determination of rating factors pursuant to this
6 subparagraph. Rules adopted pursuant to this division are routine technical
7 rules as defined in Title 5, chapter 375, subchapter 2-A.

8 (11) For all policies, contracts or certificates that are executed, delivered, issued
9 for delivery, continued or renewed in this State on or after January 1, 2022, a
10 carrier may not vary the premium rate based on tobacco use as a rating factor.

11 **Sec. B-3. 24-A MRSA §2736-C, sub-§2-B**, as amended by PL 2011, c. 364, §7,
12 is repealed.

13 **Sec. B-4. 24-A MRSA §2808-B, sub-§2, ¶C-1**, as enacted by PL 2011, c. 90,
14 Pt. A, §7, is repealed.

15 **Sec. B-5. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt.
16 A, §11, is further amended to read:

17 D. A carrier may vary the premium rate due to age, geographic area and tobacco use
18 in accordance with the limitations set out in this paragraph. A carrier that varies the
19 premium rate due to age must vary the premium rate according to a uniform age
20 curve. The superintendent shall adopt rules establishing a uniform age curve that is
21 substantially similar to the age curve in effect on January 1, 2019 under the federal
22 Affordable Care Act. Rules adopted under this paragraph are routine technical rules
23 as defined in Title 5, chapter 375, subchapter 2-A.

24 (1) For all policies, contracts or certificates that are executed, delivered, issued
25 for delivery, continued or renewed in this State between July 15, 1993 and July
26 14, 1994, the premium rate may not deviate above or below the community rate
27 filed by the carrier by more than 50%.

28 (2) For all policies, contracts or certificates that are executed, delivered, issued
29 for delivery, continued or renewed in this State between July 15, 1994 and July
30 14, 1995, the premium rate may not deviate above or below the community rate
31 filed by the carrier by more than 33%.

32 (3) For all policies, contracts or certificates that are executed, delivered, issued
33 for delivery, continued or renewed in this State between July 15, 1995 and
34 September 30, 2011, the premium rate may not deviate above or below the
35 community rate filed by the carrier by more than 20%.

36 (4) For all policies, contracts or certificates that are executed, delivered, issued
37 for delivery, continued or renewed in this State between October 1, 2011 and
38 September 30, 2012, the maximum rate differential due to age filed by the carrier
39 as determined by ratio is 2 to 1. The limitation does not apply for determining
40 rates for an attained age of less than 19 years of age or more than 65 years of age.

1 (5) For all policies, contracts or certificates that are executed, delivered, issued
2 for delivery, continued or renewed in this State between October 1, 2012 and
3 December 31, 2013, the maximum rate differential due to age and group size
4 filed by the carrier as determined by ratio is 2.5 to 1. The limitation does not
5 apply for determining rates for an attained age of less than 19 years of age or
6 more than 65 years of age.

7 (6) For all policies, contracts or certificates that are executed, delivered, issued
8 for delivery, continued or renewed in this State between January 1, 2014 and
9 December 31, 2014, the maximum rate differential due to age and group size
10 filed by the carrier as determined by ratio is 3 to 1 to the extent permitted by the
11 federal Affordable Care Act. The limitation does not apply for determining rates
12 for an attained age of less than 19 years of age or more than 65 years of age.

13 (7) For all policies, contracts or certificates that are executed, delivered, issued
14 for delivery, continued or renewed in this State between January 1, 2015 and
15 December 31, 2015, the maximum rate differential due to age and group size
16 filed by the carrier as determined by ratio is 4 to 1 to the extent permitted by the
17 federal Affordable Care Act. The limitation does not apply for determining rates
18 for an attained age of less than 19 years of age or more than 65 years of age.

19 (8) For all policies, contracts or certificates that are executed, delivered, issued
20 for delivery, continued or renewed in this State on or after January 1, 2016,
21 except as provided in subparagraph ~~(40)~~ (11), the maximum rate differential due
22 to age and group size filed by the carrier as determined by ratio is 5 to 1 to the
23 extent permitted by the federal Affordable Care Act. The limitation does not
24 apply for determining rates for an attained age of less than 19 years of age or
25 more than 65 years of age.

26 (9) For all policies, contracts or certificates that are executed, delivered, issued
27 for delivery, continued or renewed in this State ~~on or after~~ between October 1,
28 2011 and December 31, 2021, the maximum rate differential due to tobacco use
29 filed by the carrier as determined by ratio is 1.5 to 1, except that the carrier may
30 not apply a rate differential pursuant to this subparagraph when the covered
31 individual is participating in an evidence-based tobacco cessation strategy
32 approved by the United States Department of Health and Human Services, Food
33 and Drug Administration.

34 ~~(10) For all policies, contracts or certificates that are executed, delivered, issued~~
35 ~~for delivery, continued or renewed in this State on or after the effective date of~~
36 ~~this Act, the maximum rate differential due to age filed by the carrier as~~
37 ~~determined by ratio is 3 to 1 for individuals 21 years of age and older on the first~~
38 ~~day of coverage under the policy, contract or certificate. The variation in rate due~~
39 ~~to age must be actuarially justified for individuals under 21 years of age~~
40 ~~consistent with the uniform age rating curve adopted under this paragraph.~~

41 (11) For all policies, contracts or certificates that are executed, delivered, issued
42 for delivery, continued or renewed in this State on or after January 1, 2022, for
43 each small group health plan offered by a carrier, the highest premium rate for
44 each rating tier may not exceed 2.5 times the premium rate that could be charged

1 to an eligible individual with the lowest premium rate for that rating tier in a
2 given rating period. For purposes of this subparagraph, "rating tier" means each
3 category of individual or family composition for which a carrier charges separate
4 rates.

5 (a) In determining the rating factor for geographic area pursuant to this
6 subparagraph, the ratio between the highest and lowest rating factor used by a
7 carrier for geographic area may not exceed 1.5 and the ratio between highest
8 and lowest combined rating factors for age and geographic area may not
9 exceed 2.5.

10 (b) In determining rating factors for age and geographic area pursuant to this
11 subparagraph, rates must take into account the savings resulting from the
12 reinsurance program created by chapter 54-A.

13 (c) The superintendent shall adopt rules setting forth appropriate
14 methodologies regarding determination of rating factors pursuant to this
15 subparagraph. Rules adopted pursuant to this division are routine technical
16 rules as defined in Title 5, chapter 375, subchapter 2-A.

17 (12) For all policies, contracts or certificates that are executed, delivered, issued
18 for delivery, continued or renewed in this State on or after January 1, 2022, a
19 carrier may not vary the premium rate based on tobacco use as a rating factor.'

20 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
21 section number to read consecutively.

22 SUMMARY

23 This amendment replaces the bill and is the minority report of the committee.

24 Part A amends the rate review process for individual health insurance. It requires
25 advance review and prior approval of individual health insurance rates. It requires the
26 Superintendent of Insurance to hold a hearing if a filing proposes an increase in rates in
27 individual health insurance plans. It requires the Superintendent of Insurance to
28 disapprove premium rates unless the minimum medical loss ratio satisfies the statutory
29 requirements for individual health plans. The changes apply to individual health plan rate
30 filings submitted to the Department of Professional and Financial Regulation, Bureau of
31 Insurance beginning with the 2022 plan or policy year.

32 Part B makes changes to the rating provisions for individual and small group health
33 insurance plans to reduce the rating band for age and to require that the ratio on the basis
34 of geographic area is 1.5 to 1 and that the ratio for age and geographic area may not
35 exceed 2.5. These changes reinstate the rating provisions in place before the enactment
36 of Public Law 2011, chapter 90. Part B also prohibits the use of tobacco as a rating factor.
37 The changes apply to all individual and small group policies issued or renewed on or after
38 January 1, 2022.