

Maine

Bureau of Insurance
No. 34 State House Station
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Summary of Important Regulations

MEWA Regulations	No
TPA Regulations	Yes
Stop-Loss Regulations	Yes
UR Regulations	Yes

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	Me. Ins. Reg. Ch. 130	None
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	None	Me. Rev. Stat. Ann. tit. 24 §§ 2332-E, 2985; tit. 24-A §§ 1912,2680,2753,2823-B,4235
Small Employer Health Insurance Availability Model Law	None	Me. Rev. Stat. Ann. tit. 24-A § 2808-B
Model Regulation To Eliminate Unfair Sex Discrimination	None	None
Health Information Privacy Model Law	None	Me. Rev. Stat. Ann. tit. 22 § 1711-C
Preferred Provider Arrangements Model Law	None	Me. Rev. Stat. Ann. tit. 24-A §§ 2333 to 2340;2670 to 2678; Me. Ins. Reg. ch. 360
Utilization Review Model Law	None	None
Managed Care Plan Network Adequacy Model Law	None	Me. Ins. Reg. ch. 850
Third Party Administrator Law	None	Me. Rev. Stat. Ann. tit. 24-A §§ 1901 to 1911
Stop-loss Insurance Model Law Maine	None 2	None

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	None
Standard Group Health Model Law	Me. Rev. stat. Ann. tit. 24-A §§ 2801 to 2809; §§ 2816 to 2813	None
Group Health Insurance Mandatory Conversion Law	Me. Ins. Reg. ch. 281	Me. Rev. Stat. Ann. tit. 24-A §2809-A; tit. 24 §§ 2330 to 2331
Group Coverage Discontinuance/ Replacement Model Regulation	None	Me. Rev. Stat. Ann. tit. 24-A §§ 2847-A to 2850
Premium Rates and Renewability of Coverage-Small Groups	None	Me. Rev. Stat. Ann. tit. 24-A § 2808-A; Bulletin 221
Group Coordination of Benefits Model Law	None	Me. Rev. Stat. Ann. tit. 24-A § 2723-A; tit. 24 § 2332-A, tit. 24-A § 2844
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	Me. Rev. Stat. Ann. tit. § 24 §§ 2823-F 2320-G; tit. 24-A §§ 2745-E, 2744-F tit. 24-A §§ 2837-F,2837-G; tit. 24-A §§ 4234-D; 4234-E
Group Health Mandatory Drug/ Alcohol Dependency Law	None	Me. Rev. Stat. Ann. tit. 24 § 2329; tit. 24-A § 2842
Model Newborn Children's Law	Me. Rev. Stat. Tit. 24 § 2319 tit. 24-A §§ 2743, 2834, 4234-C	None

Health Examination Benefits Availability Law	None	None
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NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	None	Me. Rev. Stat. Ann. tit. 24-A §§ 1501 to 1542; 1601 to 1857
MEWA Licensing Model Law	None	None
Managing General Agents Law	Me. Rev. Stat. Ann. tit. 24-A §§ 1491 to 1498	None
Health Maintenance Organization Model Law	Me. Rev. Stat. Ann. tit. 24-A §§ 4201 to 4226	Me. Rev. Stat. Ann. tit. 24-A §§ 4202-A, 4204-A, 4207-A
Insurance Information and Privacy Protection Law	Me. Rev. Stat. Ann. tit. 24-A §§ 2201-2220	None
Unfair Trade Practices Law	Me. Rev. Stat. Ann. tit. 24-A §§ 2151 to 2182	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	Me. Rev. Stat. Ann. tit. 24-A § 2159-A	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Total or Partial Blindness	Me. Rev. Stat. Ann. tit. 24-A § 2159-A	None

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	Me. Rev. Stat. Ann. tit. 24-A § 2159-B
Unfair Claims Settlement Practices Law	Me. Rev. Stat. Ann. tit. 24-A § 2164-D	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	Me. Ins. Reg. ch. 560 § 1 to 10	Me. Rev. Stat. Ann. tit. 24-A §§ 2385-E
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	Me. Rev. Stat. Ann. tit. 39 § 23; Me. Ins. Reg. ch. 250 § 1
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	Me. Rev. Stat. Ann. tit. 39 § 23
Twenty Four Hour Coverage Pilot Project Model Law	None	Me. Ins. Reg. ch. 690

State-Mandates

Benefits That Must Be Covered

- Breast reconstruction
- Cardiac rehabilitation
- Cervical cancer screening
- Chiropractic care
- Contraceptives (only if carrier covers prescription drugs)
- Diabetic supplies, education
- Drug abuse treatment
- Formula for PKU
- Mammography screening
- Maternity care
- Mental health, general
- Mental health, parity
- Metabolic formula
- Minimum mastectomy stays
- Minimum maternity stays
- Newborn care
- Off-label drug use
- Prescription drugs (HMOs only)

Benefits That Must Be Offered

- Alcoholism
- Home health care
- Prostate screening (PSA test primarily)

Persons Who Must Be Allowed Coverage

- Continuation/dependents
- Continuation/employees
- Newborns

Providers Who Must Be Covered

- Acupuncturists
- Chiropractors
- Dentists
- Nurse Practitioners
- Optometrists
- Osteopaths
- Professional Counselors

- Psychologists
- Social Workers

Coordination of Benefits

- Birthday Rule?
- Divorced/Separated Rule?
- Joint Custody Rule?
- Active v. Inactive Rule?
- Longer v. Shorter Rule?
- Managed Care Rule?
- COBRA Rule?
- Preservation Rule?

Plan provisions must conform to rules promulgated by the commissioner

Continuation or Conversion

None
Conversion – No

Patient's Bill of Rights Legislation

None

High Risk Health Pool

None

External Grievance System

Yes

Basis of Filing Grievance

- Investigational/experimental
- Medical necessity
- Pre-existing conditions

Status of Decision of Grievance Panel

Binding on the carrier only

MEWA Regulation

Maine will treat a MEWA as an unauthorized insurer and regulate it and take action against it as such.¹

TPA Regulations

Maine enacted a TPA registration statute to be effective August 1, 1990.² Its principal provisions are as follows:

- Annual license fee is \$50.

- The penalty for violation of the statute is a minimum of \$100 but not more than \$1,000 or by imprisonment for less than one year, or both.
- Application must be accompanied by names, addresses and official positions of the individuals responsible for the conduct of the affairs of the TPA, including members of the board of directors, board of trustees, executive committees or other governing boards or committee, and the principal officers or partners.
- A fidelity bond in favor of the treasurer of the stat is required for the benefit of covered persons or plan sponsor, executed by a surety company authorized to do business in the state. For a TPA maintaining an administrator trust fund, but not maintaining a claims administrative services account, the greater of \$50,000 or 5% of contributions and premiums projected to be received for administrators trust fund for the following plan year from state residents, not to exceed \$1 million.
- Each TPA must identify the ownership interest of affiliation of any kind with any plan sponsor, health care service plan, health maintenance organization, or insurer responsible for providing benefits to any plan for which the TPA provides services as an administrator.
- Each TPA must submit a report to the Insurance Department annually which states the total number of claims paid by the TPA and the total dollar amount of claims paid by each plan sponsor in Maine for the most recent complete calendar year. Additional, it requires all carriers that provide only administrative services for a plan sponsor to file a similar report with the Insurance Department.
- A TPA must supply the names and addresses of the insurers, health care service plans, health maintenance organization, and plan sponsors with whom the TPA has entered into written agreements. If the insurer, health care service plan, HMO, or plan sponsor does not assume or bear the risk, the TPA must disclose the name and address of the ultimate risk bearer. This subsection applies to the initial application for a TPA's license and any renewals of a license.
- A TPA shall provide service as a TPA only pursuant to a written agreement between the TPA and the plan sponsor, health care service plan sponsor, health care service plan, HMO or insurer. The TPA shall retain the written agreement as part of its records for the duration of the agreement and for seven years after the agreement expires.
- A TPA shall maintain, in its principal office for the duration of the written agreement, and for seven year after the agreement expires, adequate books and records of all transactions involving a plan sponsor, health care service plan, HMO, or insurer, and covered individuals and beneficiaries. A TPA is not required to maintain copied of books and record is the originals are returned to the plan sponsor, health care service plan, HMO, or insurer before the end of the seven-year period.

Stop-Loss Regulation

During 1995, Maine enacted a law enabling the state Insurance Department to regulate the self-funding market by regulating stop-loss coverage purchased by self-funded groups. Specifically, the law prohibits a stop-loss carrier from selling such coverage to any plan that does not comply with the terms of Maine's individual and group continuation of coverage laws.

Utilization Firm Regulations

Agency Responsible³
Requirements

Dept. of Insurance
Licensing-Certification

Exemptions
Waivers

HMOs
None

Commentary

- Group health insurance policies must provide the same maternity benefits for unmarried women certificate holders and the minor dependents of certificate holders with dependent or family coverage as are provided to married certificate holders with maternity coverage and the wives of certificate holders with maternity coverage.
- Group health care contracts must also cover:
 1. Therapeutic, adjustive, and manipulative services whether preformed by an allopathic, osteopathic or chiropractic doctor.
 2. Cardiac rehabilitation coverage if the group includes 20 or more persons at the option of the policyholder. Cardiac rehabilitation is multidisciplinary, medically necessary treatment of person with documented cardiovascular disease, provided in a hospital or another setting. The treatment includes outpatient treatment initiated within 26 weeks after the diagnosis of the disease, physician-recommended continuance of phase II rehabilitation services for up to 36 sessions in a hospital or community-based setting, and up to 36 phase III sessions in a community-based setting. These benefits may be subject to any reasonable limitation, maximum benefit, coinsurance, deduction or exclusion provisions applicable to overall benefits under the policy.
- An employer, group health insurer, or nonprofit hospital or medical services organization may not terminate coverage because an individual has been summoned for or engages injury service.
- Insurers must cover all non-experimental infertility treatments.
- Maine requires minimum benefit levels, in length of treatment and dollar limits, for treatment of mental illness in employer-sponsored health plans and phasing in increases over the initial minimums over a three-year period to increase those minimums in three annual steps.⁴
- An insurer may not penalize an insured for failing to notify the insurer of emergency hospital treatment.⁵
- A group health insurance policy replacing another policy must provide continuity of coverage to all carryover insureds, but may contain a limited pre-existing conditions exclusion.⁶

Miscellaneous

State Premium Taxes

Commercial insurers pay 2%; Blue Cross pays 1 ½%; HMOs pay none.

Small Group Reform⁷

All insurers that offer small group health plans must offer both a standard plan and a basic plan to employers with at least 25 employees. Mandated benefit rules for services, diseases, and providers remain in effect for such plans, although many of these rules limit their application to groups of 20 or more. Also, the basic plan must emphasize preventative care and contain reasonable, but lesser, benefits than the standard plan, so that its cost is 20% less than the standard plan.

MSA Legislation

No action Who May Establish

Managed Care

Maine establishes a system of comprehensive regulation of the utilization review industry, including state certification requirements, minimum operational standards, appeals procedures, confidentiality requirements and penalties for non-compliance. Law also limits PPOs to a 50% price differential between in-network and out-of-network providers. Also, Maine requires physicians to provide patients with a written estimate of the cost of providing services. Physicians would be prohibited from charging patients more than the estimate.

Health Benefits as Wages

Maine has added health benefits to the list of penalties recoverable by workers in lawsuits against employers. Whenever a worker has available damages to recover unpaid wages from their employer, they must also recover health benefits lost.

Endnotes

¹ Me. Rev. Stat. Ann., tit. 24-A §§ 2801 to 2807.

² Me. Rev. Stat. Ann. §§ 1901 to 1902.

³ Me. Rev. Stat. Ann., tit. 24 § 2340 *et. seq.* and tit. 24-A § 2771 *et. seq.*; also Code of Me. R. § 1 *et. seq.*

⁴ Me. Rev. Stat. Ann., tit. 24-A § 2843.1.

⁵ Me. Rev. Stat. Ann., tit. 24-A § 2847-A.

⁶ Me. Rev. Stat. Ann., tit. 24-A § 2849.

⁷ Me. Rev. Stat. Ann., tit. 24-A §§ 2808-A and 2808-B; Me. Ins. Reg. ch. 750.