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Date: (Filing No. S- )

**INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
SENATE  
127TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 152, L.D. 384, “Resolve, To Study the Design and Implementation of Options for a Universal Health Care Plan in the State That Is in Compliance with the Federal Patient Protection and Affordable Care Act”

Amend the resolve by striking out everything after the title and before the summary and inserting the following:

**Sec. 1. Purpose. Resolved:** That it is the intent of the Legislature to ensure that all residents of the State have access to and coverage for affordable, quality health care. It is the intent of the Legislature to study the design and implementation of a universal health care plan that complies with the requirements for innovation waivers available to states pursuant to the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Public Law 111-152, referred to in this resolve as "the Affordable Care Act"; and be it further

**Sec. 2. Independent Advisory Committee; membership. Resolved:** That the Independent Advisory Committee, referred to in this resolve as "the advisory committee," is established. The advisory committee consists of 11 members appointed as follows.

- 1. Four members appointed by the President of the Senate:
  - A. One member who represents hospitals;
  - B. One member who represents health insurance carriers;
  - C. One member who has expertise in public health; and
  - D. One member who is an independent health benefits advisor;
- 2. Four members appointed by the Speaker of the House:
  - A. One member who represents health care providers;
  - B. One member who represents consumers;

**COMMITTEE AMENDMENT**

1 C. One member who represents a consumer-oriented health plan doing business in  
2 this State; and

3 D. One member who is an expert on health policy; and

4 3. Three members appointed by the Governor:

5 A. The director of the state employee health plan under the Maine Revised Statutes,  
6 Title 5, section 285 or the director's designee;

7 B. One member who represents a health management coalition; and

8 C. One member who represents employers; and be it further

9 **Sec. 3. Chair. Resolved:** That the advisory committee shall elect a chair from its  
10 members; and be it further

11 **Sec. 4. Appointments; convening of advisory committee. Resolved:** That  
12 all appointments must be made no later than 30 days following the effective date of this  
13 resolve. The appointing authorities shall notify the Executive Director of the Legislative  
14 Council once all appointments have been completed. After appointment of all members,  
15 the Executive Director of the Legislative Council shall call and convene the first meeting  
16 of the advisory committee. If 30 days or more after the effective date of this resolve a  
17 majority of but not all appointments have been made, the Executive Director of the  
18 Legislative Council may convene the advisory committee to meet and conduct its  
19 business; and be it further

20 **Sec. 5. Consultant; proposal. Resolved:** That the advisory committee shall  
21 solicit the services of one or more outside consultants to work with the advisory  
22 committee to propose at least 3 design options, including implementation plans, for  
23 creating a universal system of health care that ensures all residents of the State have  
24 access to and coverage for affordable, quality health care services that meet the principles  
25 and goals outlined in this resolve. By August 1, 2018, the consultant or consultants shall  
26 release a draft of the design options to the public, including the data used by the  
27 consultant or consultants to develop the design options, and provide 4 months for public  
28 review and the submission of comments on the design options. The consultant or  
29 consultants shall review and consider the public comments and revise the draft design  
30 options as necessary prior to the final submission to the advisory committee; and be it  
31 further

32 **Sec. 6. Design options. Resolved:** That the proposal under section 5 must  
33 contain the analysis and recommendations as provided for in this section.

34 1. The proposal must include the following design options:

35 A. A design for a government-administered and publicly financed universal payer  
36 health benefits system that is decoupled from employment, that prohibits insurance  
37 coverage for the health services provided by the system and that allows for private  
38 insurance coverage of only supplemental health services;

39 B. A design for a universal health benefits system with integrated delivery of health  
40 care and integrated payment systems for all individuals that is centrally administered  
41 by State Government or an entity under contract with State Government; and

1 C. A design for a public health benefit option administered by State Government or  
2 an entity under contract with State Government that allows individuals to choose  
3 between the public option and private insurance coverage and allows for fair and  
4 robust competition among public and private plans.

5 Additional options may be designed by the consultant or consultants, in consultation with  
6 the advisory committee, taking into consideration the parameters described in this  
7 section.

8 Each design option must include sufficient detail to allow the advisory committee to  
9 report back to the Legislature to enable the Legislature to consider the adoption of one  
10 design and to determine an implementation plan for that design during the First Regular  
11 Session of the 129th Legislature, including the submission of any necessary waivers  
12 pursuant to federal law.

13 2. In creating the design options under subsection 1, the consultant or consultants  
14 shall review and consider the following fundamental elements:

15 A. The findings and reports from previous studies of health care reform in the State,  
16 including the December 2002 document titled "Feasibility of a Single-Payer Health  
17 Care Model for the State of Maine" produced by Mathematica Policy Research, Inc.,  
18 and studies and reports provided to the Legislature;

19 B. The State's current health care reform efforts, including the State's innovation  
20 model project;

21 C. The health care reform efforts in other states, including any efforts in other states  
22 to develop state innovation waivers for universal health coverage plans as an  
23 alternative to the Affordable Care Act; and

24 D. The Affordable Care Act; the federal Employee Retirement Income Security Act  
25 of 1974, as amended; and the Medicare program, the Medicaid program and the State  
26 Children's Health Insurance Program under Titles XVIII, XIX and XXI, respectively,  
27 of the federal Social Security Act.

28 3. The design options under subsection 1 must maximize federal funds to support the  
29 system and be composed of the following components:

30 A. A payment system for health services that includes one or more packages of  
31 health services providing for the integration of physical and mental health services;  
32 budgets, payment methods and a process for determining payment amounts; and cost-  
33 reduction and cost-containment mechanisms and that is aligned with the State's  
34 innovation model project to advance delivery system and payment reform initiatives  
35 already in place throughout the State and that is consistent with the terms and  
36 conditions of any federal grant awarded to the State's innovation model project;

37 B. Coordinated regional delivery systems;

38 C. Health system planning and regulation and public health;

39 D. Financing and estimated costs, including federal financing. The design options  
40 must provide:

41 (1) An estimate of the total costs of the design options, including any additional  
42 costs for providing access to and coverage for health services to the uninsured

- 1 and underinsured, any estimated costs necessary to build a new system and any  
2 estimated savings from implementing a single system;
- 3 (2) Financing proposals for sustainable revenue, including by maximizing  
4 federal revenues, or reductions from existing health care programs, services, state  
5 agencies or other sources necessary for funding the cost of the new system;
- 6 (3) A proposal to the United States Department of Health and Human Services,  
7 Centers for Medicare and Medicaid Services to waive provisions of Titles XVIII,  
8 XIX and XXI of the federal Social Security Act, if necessary, to align the federal  
9 programs with the proposals contained within the design option in order to  
10 maximize federal funds or to promote the simplification of administration, cost  
11 containment or promotion of health care reform initiatives; and
- 12 (4) A proposal to the United States Department of Health and Human Services,  
13 Centers for Medicare and Medicaid Services to waive provisions of the  
14 Affordable Care Act, if necessary, to implement the proposals contained within  
15 the design options in order to maximize federal funds;
- 16 E. A method to address compliance of the proposed design option with federal law.  
17 Unless specifically authorized by federal law, the proposed design options must  
18 provide coverage supplemental to coverage available under the Medicare program of  
19 the federal Social Security Act, Title XVIII and the federal TRICARE program, 10  
20 United States Code, Chapter 55;
- 21 F. A benefit package or packages of health services that meet the requirements of the  
22 Affordable Care Act and provide for the integration of physical and mental health  
23 care, including access to and coverage for primary care, preventive care, chronic care,  
24 acute episodic care, palliative care, hospice care, hospital services, prescription drugs  
25 and mental health and substance abuse services;
- 26 G. A method for administering payment for health services, which may include  
27 administration by a government agency, under an open bidding process soliciting  
28 bids from insurance carriers or 3rd-party administrators, through a private nonprofit  
29 insurer or 3rd-party administrator, through private insurers or from a combination  
30 thereof;
- 31 H. Enrollment processes;
- 32 I. Integration of pharmacy best practices and cost control programs and other  
33 mechanisms to promote evidence-based prescribing, clinical efficacy and cost  
34 containment, such as a single statewide preferred drug list, prescriber education or  
35 utilization reviews;
- 36 J. Appeals processes for decisions made by entities or agencies administering  
37 coverage for health services;
- 38 K. A recommendation for budgets and payment methods and a process for  
39 determining payment amounts. Payment methods for mental health services must be  
40 consistent with mental health parity. The design options must consider:
- 41 (1) Recommending a global health care budget when it is appropriate to ensure  
42 cost containment by a health care facility, a health care provider, a group of  
43 health care professionals or a combination thereof. Any recommendation must

- 1 include a process for developing a global health care budget, including  
2 circumstances under which an entity may seek an amendment of its budget;
- 3 (2) Payment methods to be used for each health care sector that are aligned with  
4 the goals of this section and provide for cost containment, provision of high-  
5 quality, evidence-based health services in a coordinated setting, patient self-  
6 management and healthy lifestyles; and
- 7 (3) What process or processes are appropriate for determining payment amounts  
8 with the intent to ensure reasonable payments to health care professionals and  
9 providers and to eliminate the shift of costs between the payers of health services  
10 by ensuring that the amount paid to health care professionals and providers is  
11 sufficient. Payment amounts must be sufficient to provide reasonable access to  
12 health services, provide sufficient uniform payments to health care professionals  
13 and assist in creating financial stability for health care professionals. Payment  
14 amounts for mental health services must be consistent with mental health parity;
- 15 L. Cost-reduction and cost-containment mechanisms and oversight mechanisms to  
16 ensure accountability and transparency of all financial transactions;
- 17 M. A regional health system that ensures that the delivery of health services to the  
18 citizens of the State is coordinated in order to improve health outcomes, improve the  
19 efficiency of the health system and improve patients' experiences of health services;  
20 and
- 21 N. An overall approach to funding that is broad-based to ensure financial stability.
- 22 4. The proposal must include a method to address compliance of the proposed design  
23 options under subsection 1 with federal law, if necessary, including the Affordable Care  
24 Act; the federal Employee Retirement Income Security Act of 1974, referred to in this  
25 subsection as "ERISA"; and Titles XVIII, XIX and XXI of the federal Social Security  
26 Act. In the case of ERISA, the consultant or consultants may propose a strategy to seek  
27 an ERISA exemption from the United States Congress if necessary for the design options.
- 28 5. The proposal must include an analysis of:
- 29 A. The impact of the design options on the State's current private and public  
30 insurance system;
- 31 B. The expected net fiscal impact;
- 32 C. The impact of the design options on the State's economy;
- 33 D. The benefits and drawbacks of alternative timing for the implementation of the  
34 designs, including the sequence and rationale for the phasing in of the major  
35 components; and
- 36 E. The benefits and drawbacks of the design options and of not changing the current  
37 system; and be it further
- 38 **Sec. 7. Additional staff assistance. Resolved:** That, upon request, the  
39 Department of Health and Human Services and the Department of Professional and  
40 Financial Regulation, Bureau of Insurance shall provide any additional staffing assistance  
41 to the advisory committee to ensure the advisory committee and its consultant or

1 consultants have the information necessary to create the design options required by this  
 2 resolve; and be it further

3 **Sec. 8. Report. Resolved:** That, the advisory committee shall submit progress  
 4 reports no later than January 1, 2016 and January 1, 2017 to the joint standing committee  
 5 of the Legislature having jurisdiction over insurance and financial services matters on the  
 6 status of the work of the advisory committee and its consultant or consultants pursuant to  
 7 this resolve. No later than December 5, 2018, the advisory committee shall submit a final  
 8 report that includes findings and recommendations, including suggested legislation, to the  
 9 joint standing committee of the Legislature having jurisdiction over insurance and  
 10 financial services matters. The joint standing committee of the Legislature having  
 11 jurisdiction over insurance and financial services matters may report out a bill to the First  
 12 Regular Session of the 129th Legislature based on the report that adopts one of the design  
 13 options proposed under section 6 and establishes an implementation plan; and be it  
 14 further

15 **Sec. 9. Funding; sources. Resolved:** That the advisory committee shall apply  
 16 for and receive funds, grants or contracts from public and private sources to support its  
 17 activities up to a maximum amount of \$300,000. No General Fund appropriations may be  
 18 used to support its activities. Contributions to support the work of the advisory  
 19 committee may not be accepted from any party having a pecuniary or other vested  
 20 interest in the outcome of the matters being studied. Any person, other than a state  
 21 agency, desiring to make a financial or in-kind contribution shall certify to the Legislative  
 22 Council that it has no pecuniary or other vested interest in the outcome of the advisory  
 23 committee's activities. Such a certification must be made in the manner prescribed by the  
 24 Legislative Council. All contributions are subject to approval by the Legislative Council.  
 25 All funds accepted must be forwarded to the Executive Director of the Legislative  
 26 Council along with an accounting record that includes the amount of the funds, the date  
 27 the funds were received, from whom the funds were received and the purpose of and any  
 28 limitation on the use of those funds. The Executive Director of the Legislative Council  
 29 shall administer any funds received by the advisory committee; and be it further

30 **Sec. 10. Appropriations and allocations. Resolved:** That the following  
 31 appropriations and allocations are made.

32 **LEGISLATURE**

33 **Study Commissions - Funding 0444**

34 Initiative: Provides allocations for any funds received to support the work of the  
 35 Independent Advisory Committee, including the costs of one or more consultants to study  
 36 and propose design options for creating a universal system of health care in the State.

37	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
38	All Other	\$5,000	\$295,000
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40	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$5,000</u>	<u>\$295,000</u>
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**SUMMARY**

This amendment is the majority report of the committee and replaces the resolve.

As in the resolve, the amendment expresses the Legislature's intent that all Maine residents have access to and coverage for affordable, quality health care.

1. The amendment establishes the Independent Advisory Committee with 11 members to solicit and oversee the services of one or more consultants to propose design options for creating a universal system of health care in the State. The amendment requires the consultant or consultants to draft design options by August 1, 2018. Following a public comment period, the amendment requires the advisory committee to submit a final report proposing adoption of one of the design options to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters by December 5, 2018. The joint standing committee of the Legislature having jurisdiction over insurance and financial services matters may report out a bill based on the advisory committee's report to the First Regular Session of the 129th Legislature. Preliminary progress reports must be filed by the advisory committee by January 1, 2016 and January 1, 2017.

2. The amendment requires the Independent Advisory Committee to apply for and receive funds from public and private sources to support its activities up to a maximum amount of \$300,000.

3. The amendment also adds an appropriations and allocations section.

**FISCAL NOTE REQUIRED**

**(See attached)**