

CHAPTER 18-A**PRIVATE PURCHASING ALLIANCES****§1951. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1995, c. 673, Pt. A, §3 (NEW).]

1. Carrier. "Carrier" means any insurance company, nonprofit hospital and medical service organization or health maintenance organization authorized to issue health plans in this State. For the purposes of this chapter, carriers that are affiliated companies or that are eligible to file consolidated tax returns are treated as one carrier and any restrictions or limitations imposed by this chapter apply as if all health plans delivered or issued for delivery in this State by affiliated carriers were issued by one carrier. For purposes of this chapter, health maintenance organizations are treated as separate organizations from affiliated insurance companies and nonprofit hospital and medical service organizations.

[PL 1995, c. 673, Pt. A, §3 (NEW).]

2. Private purchasing alliance. "Private purchasing alliance" or "alliance" means a corporation established under former Title 13-A, Title 13-B or Title 13-C to provide health insurance to its members through one or more participating carriers.

[PL 2003, c. 428, Pt. H, §1 (AMD).]

SECTION HISTORY

PL 1995, c. 673, §A3 (NEW). PL 1997, c. 616, §1 (AMD). RR 2001, c. 2, §B42 (COR). RR 2001, c. 2, §B58 (AFF). PL 2001, c. 369, §1 (AMD). PL 2003, c. 428, §H1 (AMD).

§1952. Licensure

A private purchasing alliance may not market, sell, offer or arrange for a package of one or more health benefit plans underwritten by one or more carriers without first being licensed by the superintendent. The superintendent shall specify by rule standards and procedures for the issuance and renewal of licenses for private purchasing alliances. A rule may require an application fee of not more than \$400 and an annual license fee of not more than \$100. A license may not be issued until the rulemaking required by this chapter has been undertaken and all required rules are in effect. Dirigo Health, as established in chapter 87, is exempt from the licensure requirements of this section as an independent executive agency of the State. [PL 2003, c. 469, Pt. E, §8 (AMD).]

SECTION HISTORY

PL 1995, c. 673, §A3 (NEW). PL 2003, c. 428, §H2 (AMD). PL 2003, c. 469, §E8 (AMD).

§1953. Powers

In addition to the powers granted in Title 13-B or Title 13-C, an alliance may do any of the following: [RR 2001, c. 2, Pt. B, §43 (COR); RR 2001, c. 2, Pt. B, §58 (AFF).]

1. Membership fees. Set reasonable fees for membership in the alliance for financing reasonable and necessary costs incurred in administering the alliance;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

2. Premium collection. Provide premium collection services for health benefit plans offered through the alliance if the insurer or health maintenance organization offering the plan gives express written authorization to the alliance or any other person or entity acting on behalf of the alliance to act as the insurer's or the health maintenance organization's agent for that purpose;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

3. Contracts. Contract with qualified independent 3rd parties for any service necessary to carry out the powers and duties authorized or required by this chapter;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

4. Standards. Exclude a carrier or freeze enrollment in a carrier for failure to achieve established quality, access or information reporting standards of the alliance;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

5. Data collection. Develop uniform standards for data to be provided by participating carriers and providers. The alliance may collect data necessary for evaluation of the performance of participating carriers and their provider networks by consumers, providers, employers and the superintendent;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

6. Negotiation. Negotiate with participating carriers the premium rates charged for coverage offered through the alliance, consistent with rules adopted by the superintendent; or

[PL 1995, c. 673, Pt. A, §3 (NEW).]

7. Risk adjustment. Establish procedures, subject to approval by the superintendent, for adjusting payments within each risk pool to participating carriers if the alliance finds that some carriers have a significantly disproportionate share of high-risk or low-risk enrollees.

[PL 1995, c. 673, Pt. A, §3 (NEW).]

SECTION HISTORY

PL 1995, c. 673, §A3 (NEW). PL 1997, c. 616, §2 (AMD). RR 2001, c. 2, §B43 (COR). RR 2001, c. 2, §B58 (AFF).

§1954. Duties

An alliance shall: [PL 1995, c. 673, Pt. A, §3 (NEW).]

1. Carrier eligibility. Develop and make available a list of objective criteria, subject to rules adopted by the superintendent, that participating carriers must meet in order to be eligible to participate in the alliance;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

2. Enrollee choice. Ensure that enrollees have a choice among a reasonable number of competing carriers and types of health benefit plans.

A. [PL 2001, c. 369, §2 (RP).]

B. [MRS T. 24-A §1954, sub-§2, ¶ B (RP).]

C. [PL 1997, c. 370, Pt. A, §2 (RP).]

[PL 2001, c. 369, §2 (AMD).]

3. Enrollment. Develop standard enrollment procedures in accordance with rules adopted by the superintendent;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

4. Plan descriptions. Publish educational materials, plan descriptions and comparison sheets describing participating carriers and the health benefit plans available through the alliance for use in enrolling eligible members. The information may include an assessment of utilization management procedures and the level of quality and cost-effective care;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

5. Enrollee eligibility. Establish eligibility standards for membership in accordance with rules adopted by the superintendent. Eligibility standards may not relate to health status;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

6. Acceptance of enrollees. Accept all applicants for membership that meet the alliance's eligibility standards;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

7. Risk pools. Develop standards for classifying groups of participating members into risk pools. The risk pools may include one or more risk pools for enrolled employees and their dependents and a risk pool for enrolled individuals and their dependents;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

8. Annual report. Prepare an annual report on the operations of the alliance to the superintendent, which must include an accounting of all outside revenues received by the alliance and internal and independent audits and any other information the superintendent may require;

[PL 1995, c. 673, Pt. A, §3 (NEW).]

9. Trust account. Maintain a trust account or accounts for deposit of all money received and collected for the operation of the alliance. An alliance and its board members, employees and agents have a fiduciary duty with respect to all money received or owed to it to ensure payments of its obligations and a full accounting to its members and the superintendent; and

[PL 1995, c. 673, Pt. A, §3 (NEW).]

10. Violations. Report to the superintendent any suspected or alleged law violations.

[PL 1995, c. 673, Pt. A, §3 (NEW).]

The superintendent may specify further duties by rule. [PL 1995, c. 673, Pt. A, §3 (NEW).]

SECTION HISTORY

PL 1995, c. 673, §A3 (NEW). PL 1997, c. 370, §§A1,2 (AMD). PL 2001, c. 369, §2 (AMD).

§1955. Restrictions

1. Restricted activities. An alliance may not purchase health care services, assume risk for the cost or provision of health care services or otherwise contract with health care providers for the provision of health care services to enrollees without the prior approval of the superintendent.

[PL 1997, c. 616, §3 (AMD).]

2. Licensing. A person who solicits applications for insurance, negotiates insurance contracts or takes applications for insurance from enrollees on behalf of an alliance or on behalf of insurance carriers or health maintenance organizations that have contracted with the alliance must be licensed with the bureau in compliance with chapter 16.

[PL 1997, c. 457, §32 (AMD); PL 1997, c. 457, §55 (AFF).]

3. Conflict of interest. A person may not be a board member, officer or employee of an alliance if that person is employed as or by, is a member of the board of directors of, is an officer of, or has a material direct or indirect ownership interest in a carrier or health care provider. A person may not be a board member or officer of an alliance if a member of that person's household is a member of the board of directors of, is an officer of or has a material direct or indirect ownership interest in a carrier or health care provider. An employee of an alliance who is licensed as an agent, broker or consultant may act under that license only on behalf of the alliance and only within the scope of that person's duties as an employee.

[PL 1997, c. 616, §3 (AMD).]

4. Commissions. All commissions or other payments to the alliance from or on behalf of carriers must inure to the benefit of the alliance and alliance members. An employee of an alliance may not receive compensation that is contingent upon the amount of coverage sold or upon the health carrier that is chosen. This subsection does not prohibit an alliance from arranging coverage through an unaffiliated agent or broker who is paid on a commission basis in the ordinary course of business.

[PL 1995, c. 673, Pt. A, §3 (NEW).]

5. Rulemaking. The superintendent may specify further restrictions by rule.

[PL 1995, c. 673, Pt. A, §3 (NEW).]

SECTION HISTORY

PL 1995, c. 673, §A3 (NEW). PL 1997, c. 457, §32 (AMD). PL 1997, c. 457, §55 (AFF). PL 1997, c. 616, §3 (AMD).

§1956. Authority of superintendent

1. Alliance conduct. The superintendent has the authority to regulate the establishment and conduct of alliances as set forth in this chapter.

[PL 1995, c. 673, Pt. A, §3 (NEW).]

2. Representations. A person or entity not licensed by the superintendent as a private purchasing alliance and engaged in the purchase, sale, marketing or distribution of health insurance or health care benefit plans may not represent itself as an alliance, health insurance purchasing alliance, purchasing alliance, health insurance purchasing cooperative or purchasing cooperative, or otherwise use a confusingly similar name.

[PL 1995, c. 673, Pt. A, §3 (NEW).]

3. Conflict. Nothing in this chapter may be considered in conflict with or limit the duties and powers granted to the superintendent under the laws of this State.

[PL 1995, c. 673, Pt. A, §3 (NEW).]

4. Penalties. Violations of this chapter are subject to the penalties contained in section 12-A.

[PL 1995, c. 673, Pt. A, §3 (NEW).]

SECTION HISTORY

PL 1995, c. 673, §A3 (NEW).

§1957. Rulemaking

The superintendent shall adopt rules necessary to carry out the requirements of this chapter before January 1, 1997. All rules adopted pursuant to this chapter are major substantive rules as defined in Title 5, chapter 375, subchapter II-A. [PL 1995, c. 673, Pt. A, §3 (NEW).]

SECTION HISTORY

PL 1995, c. 673, §A3 (NEW).

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