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Date: (Filing No. H- )

**INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
126TH LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 962, L.D. 1345, Bill, “An Act To Establish a Single-payor Health Care System To Be Effective in 2017”

Amend the bill by striking out the title and substituting the following:

**'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 bill 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 Maine residents have access to and coverage for affordable, quality health care. While the Legislature supports a national universal system of health care, until such federal legislation is enacted, 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. Consultant; proposal. Resolved:** That the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters, referred to in this resolve as "the committee," shall solicit the services of one or more outside consultants to work with the committee to propose by December 2, 2015 to the Legislature at least 3 design options, including implementation plans, for creating a universal system of health care that ensures all Maine residents have access to and coverage for affordable, quality health care services that meet the principles and goals outlined in this resolve. By October 15, 2015, the consultant shall release a draft of the design options to the public, including the data used by the consultant to develop the design options, and provide 30 days for public review and the submission of comments on the design options. The consultant shall review and consider the public comments and

**COMMITTEE AMENDMENT**

1 revise the draft design options as necessary prior to the final submission to the committee;  
2 and be it further

3 **Sec. 3. Design options. Resolved:** That the consultant's proposal under section  
4 2 must contain the analysis and recommendations as provided for in this section.

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

6 A. A design for a government-administered and publicly financed single-payor  
7 health benefits system that is decoupled from employment, that prohibits insurance  
8 coverage for the health services provided by the system and that allows for private  
9 insurance coverage of only supplemental health services;

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

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

17 Additional options may be designed by the consultant, in consultation with the  
18 committee, taking into consideration the parameters described in this section.

19 Each design option must include sufficient detail to allow the Legislature to consider the  
20 adoption of one design and to determine an implementation plan for that design during  
21 the Second Regular Session of the 127th Legislature and to initiate implementation of the  
22 new system through a phased process beginning no later than January 1, 2018, including  
23 the submission of any necessary waivers pursuant to federal law.

24 2. In creating the design options under subsection 1, the consultant shall review and  
25 consider the following fundamental elements:

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

30 B. The State's current health care reform efforts;

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

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

38 3. The design options under subsection 1 must maximize federal funds to support the  
39 system and be composed of the following components as described in this subsection:

40 A. A payment system for health services that includes one or more packages of  
41 health services providing for the integration of physical and mental health services;

- 1 budgets, payment methods and a process for determining payment amounts; and cost-  
2 reduction and cost-containment mechanisms;
- 3 B. Coordinated regional delivery systems;
- 4 C. Health system planning, regulation and public health;
- 5 D. Financing and estimated costs, including federal financing; and
- 6 E. A method to address compliance of the proposed design option or options with  
7 federal law. Unless specifically authorized by federal law, the proposed design  
8 options must provide coverage supplemental to coverage available under the  
9 Medicare program of the federal Social Security Act, Title XVIII and the federal  
10 TRICARE program, 10 United States Code, Chapter 55.
- 11 4. The design options under subsection 1 must include the following components:
- 12 A. A payment system for health services that is aligned with the State's innovation  
13 model project to advance delivery system and payment reform initiatives already in  
14 place throughout the State and that is consistent with the terms and conditions of any  
15 federal grant awarded to the State's innovation model project;
- 16 B. A benefit package or packages of health services that meet the requirements of the  
17 Affordable Care Act and provide for the integration of physical and mental health,  
18 including access to and coverage for primary care, preventive care, chronic care,  
19 acute episodic care, palliative care, hospice care, hospital services, prescription drugs  
20 and mental health and substance abuse services;
- 21 C. A method for administering payment for health services, which may include  
22 administration by a government agency, under an open bidding process soliciting  
23 bids from insurance carriers or 3rd-party administrators, through a private nonprofit  
24 insurer or 3rd-party administrator, through private insurers or from a combination  
25 thereof;
- 26 D. Enrollment processes;
- 27 E. Integration of pharmacy best practices and cost control programs and other  
28 mechanisms to promote evidence-based prescribing, clinical efficacy and cost  
29 containment, such as a single statewide preferred drug list, prescriber education or  
30 utilization reviews;
- 31 F. Appeals processes for decisions made by entities or agencies administering  
32 coverage for health services;
- 33 G. A recommendation for budgets and payment methods and a process for  
34 determining payment amounts. Payment methods for mental health services must be  
35 consistent with mental health parity. The design options must consider:
- 36 (1) Recommending a global health care budget when it is appropriate to ensure  
37 cost containment by a health care facility, a health care provider, a group of  
38 health care professionals or a combination thereof. Any recommendation must  
39 include a process for developing a global health care budget, including  
40 circumstances under which an entity may seek an amendment of its budget;
- 41 (2) Payment methods to be used for each health care sector that are aligned with  
42 the goals of this section and provide for cost containment, provision of high-

- 1 quality, evidence-based health services in a coordinated setting, patient self-  
2 management and healthy lifestyles; and
- 3 (3) What process or processes are appropriate for determining payment amounts  
4 with the intent to ensure reasonable payments to health care professionals and  
5 providers and to eliminate the shift of costs between the payors of health services  
6 by ensuring that the amount paid to health care professionals and providers is  
7 sufficient. Payment amounts must be sufficient to provide reasonable access to  
8 health services, provide sufficient uniform payments to health care professionals  
9 and assist in creating financial stability for health care professionals. Payment  
10 amounts for mental health services must be consistent with mental health parity;
- 11 H. Cost-reduction and cost-containment mechanisms;
- 12 I. A regional health system that ensures that the delivery of health services to the  
13 citizens of the State is coordinated in order to improve health outcomes, improve the  
14 efficiency of the health system and improve patients' experiences of health services;  
15 and
- 16 J. Health system planning and regulation and public health.
- 17 5. The design options under subsection 1 must consider financing and estimated  
18 costs, including federal financing. The design options must provide:
- 19 A. An estimate of the total costs of the design options, including any additional costs  
20 for providing access to and coverage for health services to the uninsured and  
21 underinsured, any estimated costs necessary to build a new system and any estimated  
22 savings from implementing a single system;
- 23 B. Financing proposals for sustainable revenue, including by maximizing federal  
24 revenues, or reductions from existing health care programs, services, state agencies or  
25 other sources necessary for funding the cost of the new system;
- 26 C. A proposal to the federal Centers for Medicare and Medicaid Services to waive  
27 provisions of Titles XVIII, XIX and XXI of the federal Social Security Act, if  
28 necessary, to align the federal programs with the proposals contained within the  
29 design option in order to maximize federal funds or to promote the simplification of  
30 administration, cost containment or promotion of health care reform initiatives; and
- 31 D. A proposal to the federal Centers for Medicare and Medicaid Services to waive  
32 provisions of the Affordable Care Act, if necessary, to implement the proposals  
33 contained within the design options in order to maximize federal funds.
- 34 6. The proposal must include a method to address compliance of the proposed design  
35 options under subsection 1 with federal law if necessary, including the Affordable Care  
36 Act; the Employee Retirement Income Security Act of 1974, referred to in this subsection  
37 as "ERISA"; and Titles XVIII, XIX and XXI of the federal Social Security Act. In the  
38 case of ERISA, the consultant may propose a strategy to seek an ERISA exemption from  
39 the United States Congress if necessary for the design options.
- 40 7. The proposal must include an analysis of:
- 41 A. The impact of the design options on the State's current private and public  
42 insurance system;

- 1 B. The expected net fiscal impact;
- 2 C. The impact of the design options on the State's economy;
- 3 D. The benefits and drawbacks of alternative timing for the implementation of the
- 4 designs, including the sequence and rationale for the phasing in of the major
- 5 components; and
- 6 E. The benefits and drawbacks of the design options and of not changing the current
- 7 system; and be it further

8 **Sec. 4. Additional staff assistance. Resolved:** That, upon request, the  
9 Department of Health and Human Services and the Department of Professional and  
10 Financial Regulation, Bureau of Insurance shall provide any additional staffing assistance  
11 to the committee to ensure the committee and its consultant or consultants have the  
12 information necessary to create the design options required by this resolve; and be it  
13 further

14 **Sec. 5. Report. Resolved:** That, no later than December 2, 2015, the consultant  
15 shall submit a report that includes its findings and recommendations, including suggested  
16 legislation, to the committee. The committee may report out a bill to the Second Regular  
17 Session of the 127th Legislature based on the consultant's report that adopts one of the  
18 design options under section 3 and establishes an implementation plan; and be it further

19 **Sec. 6. Funding; sources. Resolved:** That the committee may accept from the  
20 Department of Professional and Financial Regulation, Bureau of Insurance and the  
21 Department of Health and Human Services any grant funding made available to the State  
22 pursuant to the Affordable Care Act that is received by those state agencies. The  
23 committee may also apply for and receive funds, grants or contracts from public and  
24 private sources to support its activities. Contributions to support the work of the  
25 committee may not be accepted from any party having a pecuniary or other vested  
26 interest in the outcome of the matters being studied. Any person, other than a state  
27 agency, desiring to make a financial or in-kind contribution shall certify to the Legislative  
28 Council that it has no pecuniary or other vested interest in the outcome of the committee's  
29 activities. Such a certification must be made in the manner prescribed by the Legislative  
30 Council. All contributions are subject to approval by the Legislative Council. All funds  
31 accepted must be forwarded to the Executive Director of the Legislative Council along  
32 with an accounting record that includes the amount of the funds, the date the funds were  
33 received, from whom the funds were received and the purpose of and any limitation on  
34 the use of those funds. The Executive Director of the Legislative Council shall administer  
35 any funds received by the committee; and be it further

36 **Sec. 7. Transfer. Resolved:** That, notwithstanding any other provisions of law,  
37 on or before June 30, 2015, the State Controller shall transfer \$100,000 from the State  
38 Innovation Model Grant, Federal Expenditures Fund account in the Department of Health  
39 and Human Services to the Miscellaneous Studies-Funding, Other Special Revenue  
40 Funds account of the Legislature. If before December 1, 2015 the Legislature receives  
41 funds that exceed \$100,000 from other public and private sources as authorized in section  
42 6, the State Controller shall transfer \$100,000 from the Legislature to the State Innovation  
43 Model Grant, Federal Expenditures Fund account in the Department of Health and  
44 Human Services before December 31, 2015; and be it further

