



FOR IMMEDIATE RELEASE: June 11, 2009

Contact: Cherilee Budrick
207-622-7083 X 205
cbudrick@mainecahc.org

39 Green Street
Post Office Box 2490
Augusta, ME 04338-2490

Tel: 207 / 622 – 7045
www.mainecahc.org

NEW HEALTH INSURANCE PROTECTIONS GOOD FOR MAINE PEOPLE

(Augusta) Consumers for Affordable Health Care (CAHC) is hopeful as the Maine Senate passed an amended version of the “Health Care Bill of Rights” (LD1205) today. The combination of LD1205 and LD 1444, which passed as amended last week, will mean significant improvements for Maine people who are trying to buy health care or coverage and could amount to millions of dollars saved in the state’s health care system each year.

LD 1205, sponsored by Representative Sharon Treat, was supported by small businesses, consumer advocates and dozens of Maine people at its public hearing. The “Health Care Bill of Rights” is an important first step toward lowering the costs of health coverage for Maine people by increasing policyholders’ understanding of their plans.

“Too often our health care bills or insurance policies are written in codes people can’t understand. Indeed, insurance policy details frequently aren’t available until after families buy the plans. People just don’t know what they are paying for,” said the bill sponsor Representative Sharon Treat (D-Hallowell). Treat added, “This legislation will make sure that that no one buys a health insurance policy without knowing what’s covered and what’s excluded. It will help consumers compare the details and choose the best option for their family. At a time when Maine families are having to choose between paying their mortgage or getting the health care they need, this legislation will protect them from unexpected health care bills caused by impenetrable and confusing language in insurance policies. I am thrilled that both the House and Senate supported this effort. It is the right thing to do for Maine families and businesses.”

(LD 1205) passed in the House earlier this week and in the Senate with amendment June 11th.

“As an organization that has been working for more than twenty years to bring quality, affordable health care to all Maine people—this is a very happy day for us. While we would have liked to see the Senate pass the version of the bill that was in the House—a version that also included a provision that would have required insurance companies to spend more of the premium dollars they collect on actual health care instead of administrative costs and profits, we are glad the Maine legislators saw the importance of requiring more transparency from our insurers. After all, as policyholders and tax payers we are the ultimate payers of all health care bills. If insurers don’t give us all the information we need when buying our care and coverage, we can’t possibly spend our money more wisely—this bill will better allow us to shop for good coverage at the best price possible,” says CAHC Executive Director Joe Ditré.

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The “Health Care Bill of Rights” includes the following consumer protections:

- Requires insurance companies to post their 5 top selling plans to individuals and 5 top selling small business health plans on a publicly accessible website so people can readily access the details of these plans *before* they purchase them.
- Sets standards that require insurance companies to provide people with more and better information on the document they send people when they pay or deny a claim.
- Protects people by requiring a new insurance company to cover prescription drugs that were covered by a previous insurance company (“prescription drug prior authorization agreement”) when a consumer switches from one insurance company to another.
- Requires insurance companies to provide better notice about exclusions and limitations of coverage for childhood immunizations.
- Allows the Superintendent of Insurance to require insurers that provide plans to small businesses (small group health insurance carriers) to come up with standardized plans so that consumers can compare “apples to apples” between companies to choose the best policy.
- Improves the ability of the Attorney General to intervene on behalf of consumers during rate hike requests by private insurers.
- Makes public, with minor exception, the documents that an insurer files to support its proposed rate increases.
- Requires insurance companies to provide a toll-free number on all cancellation notices for non-payment of premium. The number is for up-to-date information on whether their policy has been reinstated after they paid.
- Sets standards for insurance company health care provider “profiling programs.”
- Allows the Bureau of Insurance to review possible ways to improve availability and affordability of insurance for people who buy their own insurance (in the individual market) and to make a report to the legislature by 2/1/10.
- Requires the Superintendent of Insurance to do market conduct exams of health insurance companies at least once every 5 years.

LD 1444, also called "An Act To Protect Consumers and Small Business Owners from Rising Health Care Costs," also calls for more transparency of health care costs and payment reform with health care providers. Governor Baldacci is expected to sign both the “Health Care Bill of Rights” and LD 1444.

You can view LD 1205 here:

<http://janus.state.me.us/legis/LawMakerWeb/summary.asp?ID=280032251>

You can view LD 1444 here:

<http://janus.state.me.us/legis/LawMakerWeb/summary.asp?ID=280032620>

Consumers for Affordable Health Care is a non-profit, non-partisan organization that has been helping Maine people get quality, affordable health care for more than 20 years.

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For more information or to schedule interviews contact:

Cherilee Budrick, Communications Coordinator- Consumers for Affordable Health Care
207-622-7083

cbudrick@mainecahc.org