



DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION

Bureau of  
Insurance

STATE OF MAINE



# Small Business Health Insurance Premium Support Program

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**Maine Bureau of Insurance**

# LD 1733 Passed July 2021, Program Effective November 2021

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- As originally drafted, the program would have begun July 1, 2021
- As enacted, the program begins November 2021
- Program to last 18 months (November 2021 to April 2023)
- Part of Governor Mills' Maine Jobs and Recovery Plan
- \$39 million in federal funding from the American Rescue Plan Act
- Intent is to provide temporary premium relief to small employers and their employees
- Bureau will be doing rulemaking this fall.

## PART C

**Sec. C-1. Small Business Health Insurance Premium Support Program established.** The Small Business Health Insurance Premium Support Program, referred to in this section as "the program," is established within the Department of Professional and Financial Regulation, Bureau of Insurance as a temporary program to provide payments to small group health insurance carriers in the State to reduce insurance premium costs for small businesses and their employees. The program must provide for the issue of relief payments to small group health insurance carriers based on actual credits made monthly by the carriers and ensure the payments result in a reduction of small group health insurance premiums of \$50 per employee per month for 18 months starting November 2021, with an additional reduction for family coverage. The program must ensure that the employer and employee share in the reduction pro rata according to their contributions to the premium. The bureau shall audit small group health insurance carriers for compliance and to ensure that the premium reductions provided through the program are not recaptured through premium increases in the next insurance renewal following the expiration of the program. Small group health insurance carriers shall notify their small business policyholders of the program, the purpose of the program and the end date of the program.

The bureau shall adopt routine technical rules pursuant to the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A to carry out the purposes of the program.

# How the Program Will Work

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**Eligible Small Groups:** Fully-insured, single risk pool, ACA-compliant small group plans. Premium credits are based upon a set amount established by subscriber type.

**Subscriber Type Examples:**

Employee \$50

Two adults \$100

One adult + child(ren) \$80

Two adults + child(ren) \$130

(Note: Adult + child plans provide the same credit per plan, regardless of number of children. “Child” includes an adult dependent on the employee’s plan until age 26.)

# Premium Credit Example

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Insurers will provide premium credits in their monthly invoices to small group plan sponsors.

Employers are required to “split” the credit with their employees using the same contribution formula for the employer/employee contribution to premium.

**Example: Employee only subscriber**

Premium = \$500/month

Employer pays \$250 (50%)

Employee pays \$250 (50%)

Premium credit \$50

Employer portion: \$25

Employee portion: \$25

# Family Plan Example

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## **Example: 2 adult and dependent plan**

Premium = \$1200/month

Employer pays \$720 (60%)

Employee pays \$480 (40%)

Premium credit \$130

Employer portion: \$78

Employee portion: \$52

(Note: The employer may pass on a higher amount or all of the credit, but not less.)

# How is the Program Administered?

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Small Group Insurers will provide the credits on a monthly basis to small group plan sponsors. The credit will appear as an adjustment to the monthly premium invoice.

Insurers report monthly and quarterly to the Bureau, which reimburses the insurers for the amounts of credits provided as well as reasonable administrative costs of administering the program.

Insurers will provide a notice to their small group members explaining the program, and explaining that the premium credit must be shared with the employees.

# Will Insurers Raise Premium Rates to Pay for the Costs of the Program?

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The funding for this program from the Maine Jobs and Recovery Plan pays for the premium credits and the costs of administering the program.

Insurers are not permitted to raise premium rates due to the costs of administering the program because their costs will have already been paid for through the program.



# How do Small Businesses Get More Information?

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- Small group plan sponsors should first check with their insurer for details about the program and the credit amounts they should expect to receive.
- The Bureau will also have information on its webpage, including examples of the various premium credit divisions between the employer and employee.
- We are also working on the possibility of a calculator which can make this calculation for employers.

Bureau of Insurance Contact Information

1-800-300-5000

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