

MAINE STATE LEGISLATURE

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LEGISLATIVE COUNCIL
THURSDAY, FEBRUARY 23, 1989
REVISED AGENDA

CALL TO ORDER

ROLL CALL

SECRETARY'S REPORT

- Summary of February 15, 1989, Council Meeting

EXECUTIVE DIRECTOR'S REPORT

REPORTS FROM COUNCIL COMMITTEES

Personnel Committee

Automation Committee

OLD BUSINESS

NEW BUSINESS

Item #1: Request for Authorization to Hire Two Non-legislators to Represent the Legislature and the Oversight Committee during the Study of the Augusta Mental Health Institute

Item #2: Request for Authorization to Issue a Request for Proposals to Study the Effects of Federal Income Tax Changes and the Resulting Effects on State Revenues

Item #3: Study Request

Joint Standing Committee on Judiciary: Study of Malpractice Insurance Premiums

Item #4: After Deadline Bill Requests

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

REP. JOHN L. MARTIN
CHAIR

SEN. DENNIS L. DUTREMBLE
VICE-CHAIR



STATE OF MAINE

114th LEGISLATURE

LEGISLATIVE COUNCIL
LEGISLATIVE COUNCIL

WEDNESDAY, FEBRUARY 15, 1989

MEETING SUMMARY

APPROVED FEBRUARY 23, 1989

SEN. CHARLES P. PRAY
SEN. NANCY RANDALL CLARK
SEN. CHARLES M. WEBSTER
SEN. PAMELA L. CAHILL
REP. DAN A. GWADOSKY
REP. JOSEPH W. MAYO
REP. MARY CLARK WEBSTER
REP. FRANCIS C. MARSANO

SARAH C. DIAMOND
EXECUTIVE DIRECTOR

CALL TO ORDER

The meeting of the Legislative Council was called to order in the Council Chambers by the Chair, Speaker Martin, at 10:46 a.m.

ROLL CALL

Senators: Sen. Pray, Sen. Clark, Sen. Dutremble, Sen. Webster, Sen. Cahill

Representatives: Rep. Mayo, Rep. Gwadosky, Rep. Martin, Rep. Marsano, Rep. Webster

Legislative Officers:

Sally Diamond

Lynn Randall

Bent Schlosser

Martha Freeman

David Kennedy

John H. Bailey

David Silsby

Helen Ginder

Executive Director,
Legislative Council
State Law Librarian
Director, Office of Fiscal
and Program Review
Director, Office of Policy
and Legal Analysis
Revisor of Statutes
Information Systems
Director
Director, State Capitol
Commission
Director, Legislative
Oversight

SECRETARY'S REPORT

The summary of the Council's January 31, 1989, meeting was approved and placed on file (Motion by Sen. Webster; second by Rep. Mayo; unanimous).

EXECUTIVE DIRECTOR'S REPORT

Approved Step Increases

Sally Diamond, Executive Director, reported that she had approved step increases for the following employees, based on the recommendation of their Office Director, David Kennedy:

Jayne D. Deneen, Legal Proofreader, (Salary Range 3), from Step A to Step B, effective January 23, 1989.

Sarah Reid, Legal Proofreader, (Salary Range 3), from Step A to Step B, effective January 2, 1989.

Motion: That the Executive Director's report be accepted and placed on file. (Motion by Rep. Gwadosky; second by Sen. Clark; unanimous).

REPORTS FROM COUNCIL COMMITTEES

None.

OLD BUSINESS

None.

NEW BUSINESS

Item #1: Report from the Maine Low-Level Radioactive Waste Authority (material enclosed).

Motion: That the report be accepted and placed on file. (Motion by Sen. Clark; second by Rep. Marsano; unanimous).

Item #2: Request for Committee on Marine Resources to attend the Fisherman's Forum, March 19 (letter from Sen. Brannigan and Rep. Mitchell, Committee Chairs)

Speaker Martin noted that the Council has granted this request in the past years.

Motion: That the Committee's request be approved. (Motion by Sen. Clark; second by Rep. Webster; unanimous).

Item #3: After Deadline Bill Requests

After deadline requests were considered by the Legislative Council. The Council's action on these requests is included on the attached list.

ANNOUNCEMENTS AND REMARKS

At the request of Rep. Webster, David Kennedy, Revisor of Statutes, provided Council members with an update on the status of bill drafting. He noted that, in addition to bills that had been printed, 181 were awaiting sponsor/co-sponsor signature and more than 200 were in final production.

ADJOURNMENT

The Legislative Council meeting was adjourned at 11:15 p.m. on the motion of the Chair.



MAINE STATE LEGISLATURE

Augusta, Maine 04333

February 22, 1989

The Honorable John L. Martin
Chair
Legislative Council
State House
Augusta, Maine 04333

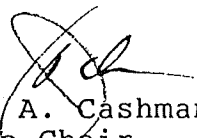
Dear Speaker Martin:

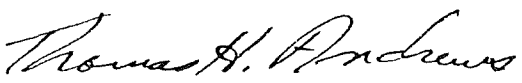
We hereby request that the Legislative Council seek requests for proposals for an analysis of the effects of the Federal Income Tax Code changes on state income tax revenues. This analysis should include, but not be limited to, the following:

- 1) A review of the Maine tax revenues before and after the Tax Reform Act of 1986.
- 2) Identification of viable alternatives for state legislative tax policy in response to the Tax Reform Act of 1986.

We are available to answer any questions or concerns that you may have.

Sincerely,


John A. Cashman
House Chair
Joint Standing Committee
on Taxation


Thomas H. Andrews
Senate Chair
Joint Standing Committee
on Taxation

MALPRACTICE LIABILITY INSURANCE PREMIUM REPORT OUTLINE

1 INTRODUCTION

1.1 PURPOSE OF REPORT

The purpose of this report is to provide the legislature with background information on realistic and practical policy options to stem rising and unstable premiums rates for medical malpractice insurance in Maine. The report will focus primarily on tort and insurance solutions, with a lesser emphasis on the use of increased Medicaid rate schedules for certain services and medical license reforms.

1.2 SUMMARY OF FINDINGS

2 MEDICAL MALPRACTICE INSURANCE PROBLEM IN MAINE

In this section we will describe with available information the malpractice insurance problem and its relationship to the price of liability premiums, suits and settlements brought in Maine during the last 4 years. We will also describe the current information and methods used in setting premium rates.

3 ACCESS TO CARE PROBLEM THAT RESULTS

In this section we will describe with available data the relationship between the price of insurance, volume of services and the costs of being involved in a suit. The purpose of this section is to describe how the price of insurance affects availability of care.

4 TORT REFORMS

4.1 REFORMS THAT WORK

In this section we will systematically review the malpractice tort reforms passed by states in the past 10 years and evidence of their effect on insurance premium rates and access to care. We will rely on secondary information from recent initiatives in other states. (Unpublished information is now available from the first round of effectiveness studies funded by the Robert Wood Johnson Foundation.) We will use primary information available on the effect of Maine's tort reforms passed in 1986. .

4.2 CONSTITUTIONALITY IN MAINE

This section will give a brief overview of the constitutional obstacles that the most effective tort reforms from section 4.1 would face in Maine.

MALPRACTICE LIABILITY INSURANCE PREMIUM REPORT OUTLINE

5 INSURANCE

5.1 RATE SETTING PRACTICES/METHODS

In this section we describe the current approach and methods of rate setting in Maine and evaluate the effect of alternatives on reducing/stabilizing premiums charged to Maine physicians for medical malpractice coverage. For this evaluation we will collect information on the claims exposure from malpractice incidents in Maine by class of coverage, paid losses and expenses by classes from these claims, the amount paid by insurance companies for re-insurance and the amount collected from premiums charged to Maine physicians. In this evaluation we will present policy options available to the state to reduce/stabilize the premium rates and the expected effects on the price of insurance from these reforms.

5.2 STATE ROLE IN RATE SETTING

This section will outline the expected legal effects of the insurance policy options evaluated above based on the experience from other states and the legal environment in Maine.

6 MEDICAL SERVICES REFORMS

6.1 MEDICAID FEES

This section will discuss the effects of changes in Medicaid fees on malpractice liability premium prices and availability of services to Medicaid patients. We will also discuss policy changes in the Medicaid system that have been used as physician incentives to provide care to Medicaid patients.

6.2 PREVENTIVE MEASURES

This section will present legislative options for reducing the number of malpractice incidents and claims occurring in the state and the effects of these on reducing liability insurance premiums. Included in these options are changes to medical license laws to give physicians sufficient tools to reprimand or remove the license of providers at high risk for malpractice incidents (One study in Penna found that less than 20% of the physicians were responsible for 80% of the claims.) and actions which focus on institutional providers to reduce malpractice incidents and claims in these settings.

7 CONCLUSIONS

LEGISLATIVE COUNCIL
February 23, 1989
REQUESTS TO INTRODUCE LEGISLATION
FIRST REGULAR SESSION

TABLED REQUESTS

Action

SPONSOR: Sen. Andrews

TABLED
02/15/89

LR 2191 An Act to Provide Assistance to Businesses
Adversely Affected by Snow Drought

COSPONSOR: Sen. Perkins
Rep. Kilkelly
Rep. Nadeau, G. G.

SPONSOR: Sen. Bustin

TABLED
02/15/89

LR 2184 An Act to Create the Lineman's Safety Act

COSPONSOR: Rep. Dore

SPONSOR: Rep. Curran

TABLED
02/15/89

LR 2203 An Act to Provide a Fund for Preparation and
Training of Class I and Class II Drivers

SPONSOR: Sen. Gauvreau

TABLED
02/15/89

LR 631 An Act Concerning Drug Set-asides

SPONSOR: Sen. Gauvreau

TABLED
02/15/89

LR 2179 An Act to Improve the Standards of Care at
the Augusta Mental Health and Bangor Mental
Health Institute

COSPONSOR: Rep. Manning

SPONSOR: Rep. Higgins

TABLED
02/15/89

LR 2177 An Act to Change the Confidentiality Law to
Include Social Workers

SPONSOR: Rep. Joseph

TABLED
02/15/89

LR 2200 An Act to Establish the Department of
Child and Family Services

Action

SPONSOR: Rep. Merrill

TABLED
02/15/89

LR 2178 An Act to Set-Aside 100 Moose Permits for
 Hunters 65 Years of Age and Older

SPONSOR: Rep. Sheltra

TABLED
02/15/89

LR 2198 An Act Regarding the Composition of the
 Real Estate Commission

NEW REQUESTS

SPONSOR: Rep. Allen

LR 2224 An Act to Make Technical Corrections in
 the Laws Concerning Gasoline Stations

SPONSOR: Sen. Bustin

LR 2219 An Act to Authorize Jail Enterprise Funds

SPONSOR: Sen. Bustin

LR 2230 AN Act to Forgive any Penalty for Failure to
 Withhold Sufficient Funds for Income Tax
 Purposes

COSPONSOR: Sen. Estes
 Rep. Mayo

SPONSOR: Rep. Cashman

LR 2225 An Act to Allow the Sale of Alcoholic Beverages
 in Bowling Centers

SPONSOR: Rep. Hanley

LR 2226 An Act Concerning Town Maintenance of
 Public Roads

COSPONSOR: Sen. Twitchell

SPONSOR: Rep. Hanley

LR 2227 An Act to Prohibit Motorized Vehicles from
North Pond Located in Buckfield and Sumner

 COSPONSOR: Sen. Twitchell
 Rep. Luther

SPONSOR: Rep. Hanley

LR 2228 An Act to Provide a Sales Tax Exemption
for Rape Crisis Centers

 COSPONSOR: Sen. Twitchell
 Rep. Walker

SPONSOR: Rep. Hanley

LR 2229 An Act to Amend the Charter of Hebron Academy

 COSPONSOR: Sen. Twitchell

SPONSOR: Rep. Joseph

LR 2241 An Act to Delay the Effective Date of the
Recodification of County and Municipal
Laws

SPONSOR: Rep. McPherson

LR 2222 An Act Regarding the Training Costs of
Police Officers

SPONSOR: Rep. Rand

LR 2221 An Act to Establish a Portland Neighborhood
Library System

SPONSOR: Rep. Simpson

LR 2220 An Act to Appropriate Funds for Independent
Congregate Meals

 COSPONSOR: Rep. Larrivee

SPONSOR: Rep. Tracy

LR 2197 An Act Authorizing Reallocation of Surplus
Franklin County Funds

 COSPONSOR: Rep. Pineau
 Sen. Erwin
 Rep. Heeschen

REQUEST TO INTRODUCE JOINT RESOLUTION

SPONSOR: Rep. Martin, J. L.

LR 2223 JOINT RESOLUTION MEMORIALIZING THE CONGRESS OF
THE UNITED STATES CONCERNING RAILROADS

COSPONSOR: Rep. McKeen