

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
116TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

MAY 1994

**Staff:**

*Jane Orbeton, Legislative Analyst*

*Office of Policy and Legal Analysis  
Room 101, State House Station 13  
Augusta, ME 04333  
(207)287-1670*

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DARLENE A. SHORES LYNCH, RESEARCHER  
CARRIE C. McFADDEN, RESEARCHER

STATE OF MAINE  
OFFICE OF POLICY AND LEGAL ANALYSIS  
ROOM 101/107/135  
STATE HOUSE STATION 13  
AUGUSTA, MAINE 04333  
TEL: (207) 287-1670  
FAX (207) 287-1275

**ONE HUNDRED AND SIXTEENTH LEGISLATURE  
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE  
BILL SUMMARIES**

**MAY 1994**

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. All adopted amendments are listed, by paper number, together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

*PUBLIC XXX*

*P&S XXX*

*RESOLVE XXX*

*CON RES XXX*

*EMERGENCY*

*ONTP*

*INDEF PP*

*FAILED ENACTMENT*

*FAILED EMERGENCY ENACTMENT*

*FAILED MANDATE ENACTMENT*

*DIED BETWEEN BODIES*

*CONF CMTE UNABLE TO AGREE*

*VETO SUSTAINED*

*UNSIGNED*

*DIED ON ADJOURNMENT*

*Chapter # of enacted Public Law*

*Chapter # of enacted Private & Special Law*

*Chapter # of enacted Resolve*

*Chapter # of Constitutional Resolution passed by both Houses*

*Enacted law takes effect sooner than 90 days*

*Ought Not to Pass report accepted*

*Bill Indefinitely Postponed*

*Bill failed to get majority vote*

*Emergency bill failed to get 2/3 vote*

*Bill imposing local mandate failed to get 2/3 vote*

*House & Senate disagree; bill died*

*Committee of Conference unable to agree; bill died*

*Legislature failed to override Governor's Veto*

*Not signed by Governor within 10 days*

*Action incomplete when session ended; bill died*

These summaries were prepared by the analyst or analysts assigned to the committee. If you have any suggestions or comments on the summaries, please let us know.

5581LHS

## Joint Standing Committee on Banking & Insurance

**LD 44**      **An Act to Allow 3rd-party Reimbursement for Counseling Professionals**      ONTP

**SPONSOR(S)**  
MORRISON

**COMMITTEE REPORT**  
ONTP

**AMENDMENTS ADOPTED**

### **SUMMARY**

This bill provides for insurance reimbursement of licensed counselors without a requirement of referral by a physician or other health professional. The provisions apply to all policies and contracts under the Maine Revised Statutes, Title 24 and Title 24-A delivered or issued for delivery on or after January 1, 1994.

See LD 1070.

**LD 1062**      **An Act to Ensure Equitable Insurance Practices**      PUBLIC 602

**SPONSOR(S)**  
KILKELLY

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
H-943

### **SUMMARY**

This bill extends the medical utilization review requirements to health maintenance organizations and preferred provider organizations.

This bill requires entities applying for licenses to perform medical utilization reviews, under which there are prospective evaluations of hospitalization, services or care, continued stay reviews, discharge planning and concurrent reviews, to submit utilization review plans with their applications in accordance with the Maine Revised Statutes, Titles 24 and 24-A. The bill prohibits any connection between the pay of the entity performing the review and that entity's record of determining need for treatment or admission. It prohibits utilization review entities, their employees and paid advisors from establishing, operating or being affiliated with their own substance abuse treatment facilities or training programs.

The bill requires that the utilization review plans contain provisions for emergency and nonemergency treatment and admissions, including patient placement criteria published by the American Society of Addiction Medicine and emergency treatment and admission if the treating provider determines the treatment or admission to be medically necessary and notifies the utilization review entity within 24 hours. If the admission is for medical detoxification or treatment, there is a presumption of medical necessity of the admission. The bill specifies requirements of the medical utilization review program, including details on decision procedures, appeal procedures, identification of personnel, availability by telephone, response obligations, notification procedures and compliance with state and federal law.

The bill requires a report from the Superintendent of Insurance to the Joint Standing Committee on Banking and Insurance on or before January 1, 1994 and January 1st of each even-numbered year thereafter on the performance of entities authorized to perform utilization reviews under Titles 24 and 24-A.

COMMITTEE AMENDMENT "A" (H-943) does the following:

1. Requires licensing of entities that do medical utilization reviews for health maintenance organizations and preferred provider organizations;

2. Requires medical utilization review entities to give the insured the name of the medical utilization review agent who has made a decision of denial of benefits;
3. Prohibits medical utilization review entities and their employees from owning or having a financial interest in medical or health care facilities;
4. Requires a medical utilization review entity to ensure that an employee may not perform utilization review services involving a health care provider or facility in which the employee has a financial interest; and
5. Adds a fiscal note.

**LD 1070     An Act to Increase Access to and Affordability of Mental Health and Substance Abuse Treatment Services**

VETO SUSTAINED

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>		<b>AMENDMENTS ADOPTED</b>
BUSTIN	OTP-AM	MAJ	S-505
	ONTP	MIN	S-602    PEARSON

**SUMMARY**

Currently, 3rd-party reimbursement is limited to psychologists, psychiatrists, social workers and psychiatric nurses. This limits the availability of mental health and substance abuse treatment services, particularly in rural parts of the State where the supply of insurance-reimbursable professionals is limited. In addition, current law makes a distinction between master-level clinicians with similar training, allowing some to be insurance reimbursable and leaving others without this ability. This bill recognizes all counseling professionals who have at least a masters degree in training, are licensed by the State and have been practicing for at least 2 years.

The purpose of this bill is to improve access to treatment services and to reduce the cost of those treatment services by increasing the supply of treatment providers who are recognized by insurers and who are available to provide services.

COMMITTEE AMENDMENT "A" (S-505) adds an unallocated section, an appropriation section, an allocation section and a fiscal note to the bill. This amendment also conforms existing law to current drafting standards.

SENATE AMENDMENT "A" TO COMMITTEE AMENDMENT "A" (S-602) incorporates all of Committee Amendment "A" and also adds language that clarifies the original intent of the bill, which is to provide mandatory reimbursement only to counseling professionals who are licensed to assess and treat intrapersonal and interpersonal problems. Other counselors whose licensed scope of practice does not include assessment and treatment would not be subject mandatory insurance reimbursement under this amendment. The amendment also replaces the fiscal note.

See LD 44.