

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

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**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

Superintendent of Insurance. This bill provides definitions that apply to the new deregulated rate procedure.

COMMITTEE AMENDMENT "A" (S-394) clarifies the language of the original bill in the Maine Revised Statutes, Title 24-A, section 404, subsection 4, paragraphs E and F. It also adds an amendment to Title 24-A, section 403, subsection 8, paragraph A, making a similar correction to the definition of "annual standard premium" for self-insurers in the workers' compensation market. The amendment adds a report from the Bureau of Insurance on the assessment formula for the Maine Self-Insurance Guarantee Association on or before November 1, 1995. It also adds a fiscal note.

**LD 1596 An Act to Promote Managed Care and to Otherwise Facilitate
the Cost-effective Delivery of Health Care in the State**

**PUBLIC 645
EMERGENCY**

SPONSOR(S)
CONLEY

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
S-502
S-517 MCCORMICK

SUMMARY

The purpose of this bill is to remove the statutory barriers to the formation of managed care health care plans. The bill makes the following changes.

1. It allows satisfaction of the standard and basic plan requirements in the small group market with a managed care product to reflect movement of that market to such products.
2. It provides that an employer may offer a health maintenance organization to employees as its sole health benefit plan option.
3. It clarifies that health maintenance organizations can utilize alternative financing mechanisms in group contracts.
4. It amends rate-filing requirements to be consistent with other group plans.
5. It amends the hospital discounting laws to allow more flexible risk-sharing with hospitals.
6. It preserves a carrier's flexibility to remove obsolete products from the market by providing that a carrier can replace a guaranteed renewable policy with a substantially similar policy that is also guaranteed renewable and complies with the other requirements of the law.
7. It repeals the sunset of the phase-in of the community rating law in the small group and individual markets.

COMMITTEE AMENDMENT "A" (S-502) adds an emergency preamble to the bill. It divides the bill into Part A, derived from the original bill and Part B, which is new.

In Part A the amendment corrects a cross-reference to the insurance provision on penalties for failure to notify of hospitalization. It deletes sections 2 and 3 of the bill. It deletes the words "has substantially similar benefits" from the provision on product discontinuance in the exceptions to guaranteed renewal in the small group market. It deletes sections 5 and 6 of the bill. It adds a provision allowing health maintenance organizations to experience rate their groups unless they are subject to the small group community rating law. It deletes section 8. It adds an exception for product discontinuance to the individual health insurance provisions. It requires the Superintendent of Insurance to reconsider and amend Bureau of Insurance Rule Chapter 750 regarding benefits in the basic and standard health plans in the small group market.

In Part B the amendment allows penalties for noncompliance with medical utilization review program notification requirements up to \$500. It allows the Superintendent of Insurance to define by rule one or more standardized individual health plans that must be offered by all carriers. It corrects a reference to premiums in the insurance commission provisions.

This amendment also adds a fiscal note to the bill.

SENATE AMENDMENT "A" TO COMMITTEE AMENDMENT "A" (S-517) requires a finding by the Superintendent of Insurance that replacement of a product is in the interest of the policyholders when a carrier ceases to offer a product in the individual insurance market.

LD 1597 An Act to Provide for Consistent Data Collection

PUBLIC 610

SPONSOR(S)
KIEFFER

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
S-503

SUMMARY

This bill requires the Superintendent of Insurance to modify the data collection procedures and content to reflect recent law changes.

COMMITTEE AMENDMENT "A" (S-503) specifies the data elements to be contained in the workers' compensation data base. The amendment permits statistical organizations to collect and maintain data for insurers or self-insured employers, but would permit an insurer to act as its own statistical organization for this purpose if it could demonstrate its ability to collect, compile and report data. Insurers and self-insurers are required to maintain medical records for 3 years to allow medical outcome studies and permit analysis and comparison with other medical data systems that may subsequently be required by law. The amendment also adds a fiscal note to the bill.

LD 1602 An Act to Require Disclosure of Minimum Bid Requirements at Mortgage Foreclosure Sales

CONF CMTE
UNABLE TO AGREE

SPONSOR(S)
MARDEN

COMMITTEE REPORT
ONTP MAJ
OTP-AM MIN

AMENDMENTS ADOPTED

SUMMARY

This bill addresses the issue of sales of real estate by auction after foreclosure on a mortgage. It requires the advertisement of the public sale of the real estate to state the amount of any required minimum bid.

LD 1614 An Act to Amend the Workers' Compensation Laws By Allowing Guarantors of Self-Insurers to Utilize Approved Letters of Credit

PUBLIC 510
EMERGENCY

SPONSOR(S)
AHEARNE

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
H-726

SUMMARY

Under current law, employers who are members of an affiliated group may rely upon the guarantee of another member of the group for purposes of qualifying for self-insurance under the workers' compensation laws. While other self-insured employers are authorized to utilize letters of credit when posting