

MAINE STATE LEGISLATURE

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**STATE OF MAINE
118TH LEGISLATURE**

**FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION**

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

JULY 1997

MEMBERS:

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Sen. Robert E. Murray, Jr.

Sen. I. Joel Abromson

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ONE HUNDRED EIGHTEENTH LEGISLATURE
FIRST REGULAR AND FIRST SPECIAL SESSIONS

Summary Of Legislation Before The Joint Standing Committees
August 1997

We are pleased to provide this summary of bills that were considered by the 15 Joint Standing Committees of the Maine Legislature staffed by this office. The document is a compilation of bill summaries which describe each bill, committee amendments and other relevant amendments, as well as the final action taken on the bill. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized alphabetically by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER</i>	<i>Bill carried over to Second Regular Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not To Pass report accepted</i>
<i>OTP ND</i>	<i>Committee report Ought To Pass In New Draft</i>
<i>OTP ND/NT</i>	<i>Committee report Ought To Pass In New Draft/New Title</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 26, 1997 and September 19, 1997 for the First Special Session.

David E. Boulter, Director
 Offices Located in the State House, Rooms 101/107/135

Senate Amendment "A" (S-153) proposed to remove the emergency preamble and the emergency clause from the resolve and change the reporting date from September 15, 1997 to January 15, 1998.

Enacted law summary

Resolve 1997, chapter 24 establishes the Task Force to Examine the Desirability of a Model Municipal Building Code.

LD 1060 An Act to Provide Health Insurance Coverage for Prostate Cancer Screening DIED BETWEEN BODIES

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON MAYO	ONTP MAJ OTP-AM MIN	

LD 1060 proposed to require all individual and group contracts of nonprofit hospital, medical service and health care service organizations, insurers and health maintenance organizations to provide insurance coverage for prostate cancer screening. Coverage for prostate cancer screening must be provided annually to men 50 years of age or older; to African-American men 45 years of age or older; and to men 40 years of age or older with a family history of prostate cancer. The bill applies to all policies and contracts in effect on or after January 1, 1998.

Committee Amendment "A" (S-274) is the minority report and proposed to require all individual and group contracts of nonprofit hospital and medical service organizations, insurers and health maintenance organizations to provide insurance coverage for prostate cancer screening. Coverage for prostate cancer screening must be provided annually to men 50 years of age or older until a man reaches the age of 72 if the procedures are recommended by a physician. The amendment applies to all policies and contracts in effect on or after January 1, 1998.

The amendment also proposed to add an appropriation and allocation section and a fiscal note to the bill. Committee Amendment "A" was adopted in the Senate, but was not adopted in the House.

House Amendment "A" to Committee Amendment "A" (H-603) proposed to add an exception to the requirement that health insurance contracts provide coverage for prostate cancer screening for accidental injury, specified disease, hospital indemnity, Medicare supplement, long-term care and other limited benefit health insurance policies and contracts. House Amendment "A" to Committee Amendment "A" was not adopted.

LD 1061 An Act to Authorize State-chartered Community Development Credit Unions PUBLIC 108

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT BROOKS	OTP-AM	S-69

LD 1061 proposed to authorize the designation of community development credit unions under a state charter approved by the Superintendent of Banking. Community development credit unions are organized for the purposes

of promoting community development and providing lending and investment services to a membership of predominantly low-income individuals. The bill allows community development credit unions to accept shares from nonmembers and to receive financial and technical assistance from the National Credit Union Administration's Community Development Credit Union Revolving Loan Fund.

Committee Amendment "A" (S-69) proposed to change the definition of "low-income", require that the Superintendent of Banking notify a community development credit union when the community development designation is removed and authorize community development credit unions to accept deposit accounts of a type approved by the Superintendent from nonmembers in addition to the acceptance of shares from nonmembers.

It also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 108 authorizes the designation of community development credit unions under a state charter approved by the Superintendent of Banking. Community development credit unions are organized for the purposes of promoting community development and providing lending and investment services to a membership of predominantly low-income individuals. The law allows community development credit unions to accept shares, or deposit accounts of an approved type, from nonmembers and to receive financial and technical assistance from the National Credit Union Administration's Community Development Credit Union Revolving Loan Fund.

LD 1082

An Act to Ensure Fair Pricing for Consumers of Health Care Services under Managed Care Plans

PUBLIC 197

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MITCHELL J MILLS	OTP-AM	H-236

LD 1082 proposed to require that, if insurers, health maintenance organizations and nonprofit hospital, medical and health care service organizations offering managed care plans calculate any copayment or deductible in percentage terms, that copayment or deductible must be based on the disclosed actual cost of the service to the carrier.

Committee Amendment "A" (H-236) proposed to replace the bill and expand the scope of the original bill to include all types of health care policies and plans subject to state regulation. It replaces the term "disclosed actual cost" with "net negotiated cost" and clarifies that net negotiated costs for any plans involving risk-sharing compensation arrangements be calculated at the time services are rendered on the basis of reasonably anticipated compensation levels and are not subject to retrospective adjustment at final settlement.

Enacted law summary

Public Law 1997, chapter 197 requires all insurers, health maintenance organization and nonprofit hospital and medical service organization contracts with respect to which the insurer or organization has negotiated discounts with providers to calculate all covered benefits, including all coinsurance, deductibles and lifetime maximum benefits, on the basis of the net negotiated cost and to reflect any discounts or differentials from charges otherwise applicable to the services provided. The law also clarifies that net negotiated costs for any plans involving risk-sharing compensation arrangements be calculated at the time services are rendered on the basis of reasonably anticipated compensation levels and are not subject to retrospective adjustment at final settlement.