

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

LD 1500

An Act to Increase Access to and Affordability of Mental Health Services

PUBLIC 174

Sponsor(s)
MITCHELL J
PARADIS

Committee Report
OTP-AM

Amendments Adopted
H-237

LD 1500 proposed to extend to health maintenance organizations the statutory provisions that currently apply to nonprofit hospital and medical service organizations, individual health care insurers and group health care insurers. This bill requires health maintenance organizations issuing mental health services contracts to offer coverage for those services when performed by a counseling professional who is licensed to assess and treat interpersonal and intrapersonal problems, has at least a masters degree from an accredited educational institution and has been employed as a counselor for at least two years.

Committee Amendment "A" (H-237) proposed to remove section 1 of the bill because section 2 of the bill effectuates the intent of the changes made in section 1. Section 1 proposed to make unnecessary clarifications.

Enacted law summary

Public Law 1997, chapter 174 requires health maintenance organizations issuing mental health services contracts to offer coverage for those services when performed by a counseling professional who is licensed to assess and treat interpersonal and intrapersonal problems, has at least a masters degree from an accredited educational institution and has been employed as a counselor for at least two years.

The requirements of chapter 174 apply to all contracts executed, delivered, issued for delivery, continued or renewed on or after January 1, 1998.

LD 1509

Resolve, to Create a Restriction on Requiring the Early Payment of Loans

ONTP

Sponsor(s)
GERRY

Committee Report
ONTP

Amendments Adopted

LD 1509 proposed to direct the Commissioner of Professional and Financial Regulation to study the practice of banks calling in loans early and to make recommendations to prohibit this practice. The commissioner is also required to study and recommend set penalties imposed by banks for late payments of loans.

LD 1521

An Act to Amend the Laws Concerning Health Insurance

PUBLIC 370

Sponsor(s)
PERRY
LAFOUNTAIN

Committee Report
OTP-AM

Amendments Adopted
H-582

LD 1521 proposed to make the following changes to the laws governing health insurance.

Part A removes the requirement for private purchasing alliances to offer inpatient only and outpatient only plans. Inpatient plans are permitted but not required.

Part B prohibits the practice of "dumping" by which individuals with health problems are provided individual policies in order to improve the claims experience of a group policy.

Part C makes technical amendments to the health insurance continuity law to improve consistency and clarity.

Part D allows a Medicare beneficiary who switches to a managed care plan and then switches back to repurchase a Medicare supplement policy.

Part E makes technical amendments to the small group and individual health insurance reform laws for consistency and clarity. It also creates an exception to guaranteed issue of individual policies for individuals eligible for Medicare Part A without paying a premium and allows these policies to be rated separately.

Part F clarifies filing requirements applicable to health maintenance organizations offering products using a more limited provider network rather than their full network.

Part G clarifies the requirements for filing and approval of policy forms.

Part H corrects an allocation error.

Committee Amendment "A" (H-582) proposed to remove the rebuttable presumption language in the "anti-dumping" provisions in the bill and replace it with language requiring the Superintendent of Insurance to initiate enforcement proceedings when investigation of the circumstances surrounding the procurement of an individual policy at the time of replacement of the group policy produces evidence of a violation of the anti-dumping provisions.

The amendment also proposed to remove sections of the bill that conflict with provisions contained in the Committee Amendment to LD 1808, "An Act to Make Maine Health Insurance Laws Consistent with Federal Laws." It also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 370 makes several changes to the laws governing health insurance that include:

1. Removing the requirement for private purchasing alliances to offer inpatient only and outpatient only plans. Inpatient plans are permitted but not required;
2. Prohibiting the practice of "dumping" by which individuals with health problems are provided individual health policies in order to improve the claims experience of a group policy;
3. Allowing a Medicare beneficiary who switches to a managed care plan and then switches back to repurchase a Medicare Supplement policy;
4. Creating an exception to the guaranteed issuance of all individual policies for individuals eligible for Medicare Part A without paying a premium and allows these policies to be rated separately; and

5. Clarifying the filing requirements applicable to health maintenance organizations offering products using a more limited provider network than their full provider network.

LD 1530 **An Act to Require Banks to Forward Copies of Mortgages to the Municipalities in Which the Property Is Located** **ONTP**

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

LD 1530 proposed to require creditors and financial institutions that issue mortgages to forward a copy of a mortgage to the municipality in which the mortgaged property is located or, for property located in an unorganized territory, to the State Tax Assessor.

Committee Amendment "A" (H-325) is the minority report and replaced the bill. It proposed to allocate to the Maine Revised Statutes, Title 33, chapter 9 the provision requiring mortgagees to provide notice of mortgages to municipalities in which the property is located or to the State Tax Assessor if the property is located in unorganized territory. It also proposed to require that instead of forwarding copies of the mortgage a mortgagee shall forward only the name and address of the mortgagor, the location of the property and the name and address of the mortgagee.

The amendment also adds a fiscal note to the bill. Committee Amendment “A” was not adopted.

LD 1540 **An Act to Establish a State Disaster Relief Trust Fund** **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KERR		

LD 1540 proposes to establish a disaster relief trust fund to be administered by the Maine Emergency Management Agency to match federal disaster assistance funds and provide other local disaster assistance. The trust fund is funded by a surcharge on homeowners' and business property insurance policies. was carried over to the Second Regular Session.

LD 1556 **An Act to Establish Breast Cancer Patient Protection** **PUBLIC 408**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIDSON GOLDTHWAIT	OTP-AM MAJ OTP-AM MIN	H-668