

# MAINE STATE LEGISLATURE

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*State Of Maine  
121st Legislature*

*Second Regular Session and  
Second Special Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Insurance and Financial Services*

*May 2004*

**Members:**

*Sen. Lloyd P. LaFountain III, Chair*

*Sen. Neria R. Douglass*

*Sen. Arthur F. Mayo III*

*Rep. Christopher P. O'Neil, Chair*

*Rep. Marilyn E. Canavan*

*Rep. Joseph C. Perry*

*Rep. Bonita J. Breault*

*Rep. Anne C. Perry*

*Rep. Kevin J. Glynn*

*Rep. Florence T. Young*

*Rep. Lois A. Snowe-Mello*

*Rep. Michael A. Vaughan*

*Rep. Richard G. Woodbury*

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*Maine State Legislature*



*Office Of Policy And Legal Analysis  
Office Of Fiscal And Program Review*

*121st Maine Legislature  
Second Regular Session and  
Second Special Session*

*Summary Of Legislation Before The Joint Standing Committees*

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. 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 considered by the committees. It is arranged alphabetically by committee name 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/billsumm.htm](http://www.state.me.us/legis/opla/billsumm.htm)).

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:

- CON RES XXX..... Chapter # of Constitutional Resolution passed by both Houses
- CONF CMTE UNABLE TO AGREE ..... Committee of Conference unable to agree; bill died
- DIED BETWEEN BODIES..... House & Senate disagree; bill died
- DIED IN CONCURRENCE..... One body accepts ONTP report; the other indefinitely postpones the bill
- DIED ON ADJOURNMENT..... Action incomplete when session ended; bill died
- EMERGENCY ..... Enacted law takes effect sooner than 90 days
- FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... Emergency bill failed to get 2/3 vote
- FAILED ENACTMENT/FINAL PASSAGE..... Bill failed to get majority vote
- FAILED MANDATE ENACTMENT ..... Bill imposing local mandate failed to get 2/3 vote
- NOT PROPERLY BEFORE THE BODY ..... Ruled out of order by the presiding officers; bill died
- INDEF PP ..... Bill Indefinitely Postponed
- ONTP..... Ought Not To Pass report accepted
- OTP-ND ..... Committee report Ought To Pass In New Draft
- P&S XXX..... Chapter # of enacted Private & Special Law
- PASSED..... Joint Order passed in both bodies
- PUBLIC XXX..... Chapter # of enacted Public Law
- RESOLVE XXX..... Chapter # of finally passed Resolve
- UNSIGNED..... Bill held by Governor
- VETO SUSTAINED ..... Legislature failed to override Governor's Veto

Please note that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is April 30, 2004; and non-emergency legislation enacted in the Second Special Session is July 30, 2004. Four bills (LD's 1572, 1629, 1636 and 1637) that were considered at the First Special Session in August 2003 are also included in these summaries.

*David C. Elliott, Director*  
**Offices located in Room 215 of the Cross Office Building**

*Joint Standing Committee on Insurance and Financial Services*

LD 213

**An Act To Assist Maine's Infertile Citizens**

ONTP

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

LD 213, which was carried over from the First Regular Session, proposed to require group health insurance policies, contracts and certificates to include coverage for infertility treatment if pregnancy-related benefits are provided. It would apply to all group policies issued or renewed on or after January 1, 2004.

**Committee Amendment "A" (H-629)** is the minority report of the committee and proposed to replace the bill. The amendment would require group health insurance policies, contracts and certificates to include coverage for infertility treatment based on the current benefit provided to state employees. Coverage would be required for women between ages 21 and 45, if referred by a primary care provider, for 80% of the charges for infertility diagnosis and treatment up to a maximum lifetime limit of \$20,000. Under the proposed amendment, a religious employer may request an exemption if providing the coverage conflicts with the employer's bona fide religious beliefs and practices.

The proposed amendment would apply to all group policies, contracts and certificates issued or renewed on or after January 1, 2005. It would require group insurers and health maintenance organizations to report claims experience and cost impact of infertility coverage for calendar years 2005, 2006 and 2007 no later than February 15, 2008 and direct the Superintendent of Insurance to compile this information in a report to the Legislature by April 1, 2008. The amendment also proposed to repeal the provision on July 1, 2008. Committee Amendment "A" was not adopted.

**LD 428**

**An Act To Eliminate the Department of Professional and Financial Regulation, Bureau of Insurance Travel Restrictions for Obtaining Health Care**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN	ONTP MAJ	
O'NEIL	OTP-AM MIN	

LD 428, which was carried over from the First Regular Session, proposed to provide that a health maintenance organization may furnish health care services through providers that exceed the standard geographic accessibility limits imposed by the Department of Professional and Financial Regulation, Bureau of Insurance by rule for specialty care and hospital services with the exception of hospital services for emergencies and maternity care.

**Committee Amendment "A" (S-354)** is the minority report of the committee and replaced the bill. The amendment proposed to repeal the changes made to the geographic access standards in the Dirigo Health law, Public Law 2003, chapter 469. The amendment proposed to clarify that the geographic access standards for managed care plans under the Maine Insurance Code and Bureau of Insurance Rule Chapter 850 do not prohibit health insurers and health maintenance organizations from developing health plans that give financial incentives to

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enrollees who elect to use certain designated providers in a health plan's provider network. Committee Amendment "A" was not adopted.

**LD 497**                      **Resolve, To Study the Feasibility and Effectiveness of Providing Consumers with Consumer Reports on Health Care Services**                      **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN	ONTP      MAJ	
O'NEIL	OTP-AM      MIN	

LD 497, which was carried over from the First Regular Session, proposed to establish a commission to study providing consumers with information on the cost and quality of health care services in order to reduce the cost of health insurance by encouraging consumers to be better purchasers of health care services.

**Committee Amendment "A" (S-357)** is the minority report of the committee. The amendment proposed to modify the duties of the Commission to Study Reports for Consumers of Health Care Services to include recommendations for public access to health insurance rate comparisons. Committee Amendment "A" was not adopted.

**LD 667**                      **An Act To Amend the Maine Insurance Code**                      **ONTP**

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

LD 667, which was carried over from the First Regular Session, proposed to require the Superintendent of Insurance to expedite the review and approval of rate filings. It also proposed to expand the grounds for which a contract of property insurance may be cancelled prior to the expiration of the policy to include the following:

1. The commission of a fraudulent insurance act;
2. The failure by the applicant or the insured to disclose a negligent act or material facts that would alter the terms of the policy;
3. The discovery that the insured's property is unoccupied and custodial care is not being maintained;
4. The presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed;
5. The presence of a swimming pool on the insured property that is not fenced in if, after notification, the noncompliance continues;
6. A claims history that includes 4 losses within 5 years, unless those losses include a catastrophic loss event;
7. A loss occasioned by a dog bite, unless, after notice of cancellation, the insured removes the dog; or