

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

Staff:

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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).

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

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

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8. Failure to correct in 90 days conditions that pose imminent hazards.

See related bill LD 1853, which was enacted as Public Law 2003, chapter 671 and incorporated several of LD 667's provisions.

LD 1087 **An Act To Require All Health Insurers To Cover the Costs of Hearing Aids** **DIED BETWEEN BODIES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
EDMONDS	OTP-AM A	
LAVERRIERE-BOUC	ONTP B	
	OTP-AM C	

LD 1087, which was carried over from the First Regular Session, proposed to require health insurance policies and contracts to provide coverage for the purchase of a hearing aid from a licensed audiologist or hearing aid dealer for a person whose hearing loss has been documented by a physician or licensed audiologist.

Committee Amendment "A" (S-358) is the minority report and replaced the bill. It proposed to require health insurance policies, contracts and certificates to provide coverage for hearing aids for persons 21 years of age and under. The provisions would apply to all policies, contracts and certificates issued or renewed on or after January 1, 2005. Committee Amendment "A" was not adopted and LD 1087 was recommitted to the Committee on Insurance and Financial Services.

Committee Amendment "B" (S-394) replaced the bill and is the majority report of the committee. It proposed to require health insurance policies, contracts and certificates to provide coverage for hearing aids for persons 18 years of age and under. The amendment would allow insurance policies to limit coverage to \$1,400 per hearing aid every 36 months. The provisions would apply to all policies, contracts and certificates issued or renewed on or after January 1, 2005.

The amendment also added an appropriations section to cover additional costs for the state employee health insurance program and added language authorizing additional expenditures if costs of providing coverage of hearing aids to state employees and their dependents exceed legislative allocations. Committee Amendment "B" was adopted in the Senate, but was not adopted in the House.

Committee Amendment "C" (S-395) replaced the bill and is the minority report of the committee. It proposed to establish a mandated offer for coverage for hearing aids under individual and group health insurance policies. The amendment would allow insurance policies to limit coverage to \$1,400 per hearing aid every 36 months. The provisions would apply to all policies, contracts and certificates issued or renewed on or after January 1, 2005. Committee Amendment "C" was not adopted.