

# MAINE STATE LEGISLATURE

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*State Of Maine  
121st Legislature*

*First Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Insurance and Financial Services*

*July 2003*

**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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*13 State House Station*

*Augusta, ME 04333*

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# Maine State Legislature



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

### 121st Maine Legislature First Regular 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](http://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 PURSUANT TO HP 1212</i> .....	<i>Bills carried over to the 2<sup>nd</sup> 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 &amp; 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>NOT PROPERLY BEFORE THE BODY</i> .....	<i>Ruled out of order by the presiding officers; bill died</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>P&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PASSED</i> .....	<i>Joint Order passed in both bodies</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 that the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

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

*Joint Standing Committee on Insurance and Financial Services*

**LD 879**                      **An Act To Require Insurance Companies To Pay up to \$200 for Wigs for Individuals Who Have Lost Hair Due to Medical Reasons**                      **ONTP**

<u>Sponsor(s)</u> O'BRIEN J		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 879 proposed to require individual and group health insurance policies and health maintenance organization contracts to cover up to \$200 of the purchase of a wig or hairpiece when the purchase is made to cover baldness or thin hair resulting from a disease attested to by a physician or treatment for such a disease. The bill requires similar Medicaid reimbursement to the extent allowed by federal law.

**LD 889**                      **An Act To Establish a State Single-payor Health Insurance Plan**                      **ONTP**

<u>Sponsor(s)</u> EDER		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 889 proposed to establish the Maine Single-payor Health Care Plan. It establishes the Agency of Health Security as an independent agency to administer the plan. Under the plan, enrollees choose their own health care providers and the plan pays their bills. Coverage under the plan is supplemental to other coverage. The bill requires a report from the Health Security Board to the joint standing committee of the Legislature having jurisdiction over human services matters on the options for coordination of the plan with other health care plans and for the plan to take over coverage of some persons covered by those health care plans. The bill requires an annual report from the board to the Governor and the Legislature on the operation and activities of the plan.

See related bill LD 20.

**LD 897**                      **An Act Concerning Health Insurance Reimbursement and Contracting Practices**                      **PUBLIC 218**

<u>Sponsor(s)</u> MAYO		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> S-90
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LD 897 proposed to require health insurers to give providers 90 days' written notice of any amendments to provider contracts. It requires health insurers to seek refunds or partial refunds of previously paid claims within 90 days of submission. Finally, it prohibits health insurers from changing the procedural coding decisions made by providers.

**Committee Amendment "A" (S-90)** proposed to replace the bill. The amendment proposed to require health carriers to give providers 60 days' notice of substantive amendments to provider agreements with certain exceptions. The parties may waive the notice requirement by mutual agreement. The amendment further requires limits on health insurers' retrospective denials of previously paid claims to 18 months from the date of payment with certain exceptions. The amendment permits carriers to refuse to accept claims not submitted on standardized claim forms approved by the Federal Government. The amendment requires that providers with 10 or more full-time-equivalent employees file claims electronically in order to claim interest, pursuant to the statute requiring health insurers to pay interest if an undisputed claim is not paid within 30 days of submission, beginning in 2005. Finally,

## *Joint Standing Committee on Insurance and Financial Services*

it permits the Superintendent of Insurance to adopt rules that set a minimum amount of interest payable to health care providers, pursuant to the statute requiring health insurers to pay interest if an undisputed claim is not paid within 30 days of submission, before a payment must be issued.

### ***Enacted Law Summary***

Public Law 2003, chapter 218 requires health carriers to give providers 60 days' notice of substantive amendments to provider agreements unless the parties waive the notice requirement by mutual agreement. The law limits the ability of health insurers to retrospectively deny previously paid claims to those denials made within 18 months from the date of payment with certain exceptions. Beginning in 2005, the law requires that providers with 10 or more full-time-equivalent employees file claims electronically in order to claim interest, pursuant to the statute requiring health insurers to pay interest if an undisputed claim is not paid within 30 days of submission. Finally, it permits the Superintendent of Insurance to adopt rules that set a minimum amount of interest payable to health care providers before a payment must be issued.

**LD 902**

**An Act To Create Equality in Medicare Supplement Insurance Policies**

**PUBLIC 157**

Sponsor(s)  
DAMON

Committee Report  
OTP-AM

Amendments Adopted  
S-56

LD 902 proposed to provide guaranteed issuance for Medicare supplement insurance policies to persons entitled to Medicare benefits due to disability.

**Committee Amendment "A" (S-56)** replaced the bill. The amendment proposed to clarify that guaranteed issuance of Medicare supplement policies extends to persons who have maintained coverage supplementing benefits under Medicare beginning with their open enrollment period. It also provides that the coverage supplementing benefits under Medicare includes coverage under a Medicare supplement policy as well as coverage under an individual policy or group health plan. The amendment retains the provision in the original bill providing guaranteed issuance for Medicare supplement insurance policies to persons entitled to Medicare benefits due to disability.

### ***Enacted Law Summary***

Public Law 2003, chapter 157 provides guaranteed issuance for Medicare supplement insurance policies to persons entitled to Medicare benefits due to disability. The law also clarifies that guaranteed issuance extends to persons who have maintained coverage supplementing benefits under Medicare beginning with their open enrollment period, whether the coverage is under a Medicare supplement policy or an individual or group health plan.