

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

*State Of Maine
122nd Legislature*

*First Regular Session and
First Special Session*

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

August 2005

Staff:

*Colleen McCarthy Reid, Legislative Analyst
Lucia A. Nixon, Legislative Analyst*

*Office of Policy and Legal Analysis
13 State House Station
Augusta, ME 04333
(207) 287-1670*

Members:

*Sen. Nancy B. Sullivan, Chair
Sen. Arthur F. Mayo III
Sen. Peter Mills*

*Rep. Anne C. Perry, Chair
Rep. Lisa T. Marrache
Rep. John R. Brautigam
Rep. Charles William Harlow
Rep. Donald E. Pilon
Rep. Kevin J. Glynn
Rep. Michael A. Vaughan
Rep. R. Kenneth Lindell
Rep. Jonathan B. McKane
Rep. Wesley E. Richardson*



Maine State Legislature

OFFICE OF POLICY & LEGAL ANALYSIS

13 State House Station, Room 215 Cross State Office Building
Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing 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 organized 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. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included 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:

- CARRIED OVER Bill Carried Over to Second Regular Session
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
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
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 the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

Joint Standing Committee on Insurance and Financial Services

premium up to 150% of the average premium rates charged by carriers for similar health insurance plans. The bill would require the State to submit an application to the Federal Government for federal assistance to create a high-risk pool.

The bill also proposed to broaden the community rating laws to allow carriers to vary premiums on the basis of age within a maximum rate differential on a ratio of 4 to one and on the basis of health status and tobacco use within a maximum rate differential on a ratio of 1.5 to one. The bill also removes the guaranteed issuance requirement for individual health plans, effective October 1, 2005.

LD 408

An Act Limiting Recovery of Disability Benefits Subject to Offsets

PUBLIC 42

Sponsor(s)
PERRY J

Committee Report
OTP-AM

Amendments Adopted
S-23

LD 408 proposed to limit the rate at which an insurer's overpayment of disability income benefits may be recovered by the insurer through offsets against current payments to the insured.

Committee Amendment "A" (S-23) proposed to limit the rate at which an insurer's overpayment of disability income benefits may be recovered by the insurer through offsets to 20% against current payments to the insured instead of the 10% limit on the rate of recovery proposed in the bill. The amendment also clarified that the requirements for disclosure to insureds relate only to disability income policies that were applied for after September 13, 2003.

Enacted law summary

Public Law 2005, chapter 42 limits the rate at which an insurer's overpayment of disability income benefits may be recovered by the insurer through offsets against current payments to the insured to 20%. The law also clarifies that the requirements for disclosure to insureds relate only to disability income policies that were applied for after September 13, 2003.

LD 409

An Act To Clarify the Superintendent of Insurance's Authority To Assess Civil Penalties

PUBLIC 41

Sponsor(s)
MILLS P

Committee Report
OTP-AM

Amendments Adopted
S-22

LD 409 proposed to amend the Maine Revised Statutes, Title 24-A, section 12-A to delete the provision requiring the Superintendent of Insurance to give the Attorney General 90 days to elect to pursue a disciplinary action in Superior Court before the superintendent can proceed with an administrative action in the matter.

The bill proposed to add language requiring the superintendent to give the Attorney General or the Attorney General's designee notice of any adjudicatory hearing scheduled in which civil penalties may be assessed.

Committee Amendment "A" (S-22) proposed to amend the Maine Revised Statutes, Title 24-A, section 12-A to delete the provision requiring the Superintendent of Insurance to give the Attorney General 90 days to elect to

Joint Standing Committee on Insurance and Financial Services

pursue a disciplinary action in Superior Court before the superintendent may proceed with an administrative action in the matter. The amendment clarified that the Superintendent of Insurance may not assess a civil penalty if the Attorney General elects to pursue an action in Superior Court for the same conduct.

Enacted law summary

Public Law 2005, chapter 41 amends the Maine Revised Statutes, Title 24-A, section 12-A to delete the provision requiring the Superintendent of Insurance to give the Attorney General 90 days to elect to pursue a disciplinary action in Superior Court before the superintendent may proceed with an administrative action in the matter. The law clarifies that the Superintendent of Insurance may not assess a civil penalty if the Attorney General elects to pursue an action in Superior Court for the same conduct.

LD 414 An Act To Require a Credit Card To Contain the Photo and Signature of the Cardholder ONTP

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

LD 414 proposed to require that credit cards issued after January 1, 2010 to cardholders who reside in Maine contain the photographs and signatures of the cardholders.

LD 416 An Act To Amend the Laws Regarding Submission of Health Insurance Claims PUBLIC 97

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS P	OTP-AM	S-85

LD 416 proposed to exempt insurers from paying interest on health care provider claims that are received more than 30 days after the date of service. This bill also proposed to require that, with the exception of emergency room and pathology services, health insurance claims for professional services be submitted on the standard federal form used by noninstitutional providers and suppliers to bill for Medicare Part B covered services, also known as the "CMS 1500" form, published by the Centers for Medicare and Medicaid Services.

Committee Amendment "A" (S-85) replaced the bill and removed the provision relating to interest payments on health insurance claims. The amendment proposed to require that all health insurance claims for services of a health care practitioner provided in an office setting be submitted on the standard federal form known as the "CMS 1500" form published by the federal Centers for Medicare and Medicaid Services. The amendment also clarified that claims for services provided in nonoffice settings may be negotiated.

Enacted law summary

Public Law 2005, chapter 97 requires that all health insurance claims for services of a health care practitioner provided in an office setting be submitted on the standard federal form known as the "CMS 1500" form used by