

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
128<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON INSURANCE AND  
FINANCIAL SERVICES**

August 2017

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## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 128<sup>th</sup> Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

*CARRIED OVER*..... carried over to a subsequent session of the Legislature  
*CON RES XXX*..... chapter # of constitutional resolution passed by both houses  
*CONF CMTE UNABLE TO AGREE*..... Committee of Conference unable to agree; legislation died  
*DIED BETWEEN HOUSES*..... House & Senate disagreed; legislation died  
*DIED IN CONCURRENCE*..... defeated in each house, but on different motions; legislation died  
*DIED ON ADJOURNMENT*..... action incomplete when session ended; legislation died  
*EMERGENCY*..... enacted law takes effect sooner than 90 days after session adjournment  
*FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE*..... emergency failed to receive required 2/3 vote  
*FAILED, ENACTMENT or FINAL PASSAGE*..... failed to receive final majority vote  
*FAILED, MANDATE ENACTMENT*..... legislation proposing local mandate failed required 2/3 vote  
*HELD BY GOVERNOR*..... Governor has not signed; final disposition to be determined at subsequent session  
*LEAVE TO WITHDRAW*..... sponsor's request to withdraw legislation granted  
*NOT PROPERLY BEFORE THE BODY*..... ruled out of order by the presiding officer; legislation died  
*INDEF PP*..... indefinitely postponed; legislation died  
*ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X*... ought-not-to-pass report accepted; legislation died  
*P&S XXX*..... chapter # of enacted private & special law  
*PUBLIC XXX*..... chapter # of enacted public law  
*RESOLVE XXX*..... chapter # of finally passed resolve  
*VETO SUSTAINED*..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 128<sup>th</sup> Legislature is Wednesday, November 1, 2017. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

*Joint Standing Committee on Insurance and Financial Services*

**LD 609**      **An Act To Prohibit Insurance Carriers That Are Not Health Insurance Carriers from Operating as Managed Care Organizations**

**Leave to Withdraw Pursuant to Joint Rule**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAMPBELL R SAVIELLO T		

This bill prohibits an insurer from imposing a fee schedule, reducing reimbursement or imposing limits on the type or frequency of health care services covered under any automobile insurance liability policy or workers' compensation policy based on the terms and conditions of a health care provider's separate contract with the insurer's affiliated health insurer, health maintenance organization or other managed care organization without the express prior written consent of the health care provider.

**LD 658**      **An Act To Conform Maine Law Regarding Insurer Privacy Notices to Federal Law**

**PUBLIC 36**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R PICCHIOTTI J	OTP OTP-AM	

This bill removes the general requirement that an insurer provide written notice of its information practices on an annual basis or when a policy is reinstated or benefits are changed. This bill requires that the notices must be provided if a change is made in the insurer's information practices.

**Committee Amendment "A" (S-29)**

This amendment is the minority report of the committee and replaces the bill. The amendment requires a regulated insurance entity to provide written notice to a policyholder of its information practices on an annual basis or when a policy is reinstated or benefits are changed unless the policyholder has elected to receive the notice only if a change has been made in the entity's information practices. The bill requires that notices be provided to all policyholders only if a change is made in the insurer's information practices.

This amendment was not adopted.

**Enacted Law Summary**

Public Law 2017, chapter 36 removes the general requirement that an insurer provide written notice of its information practices on an annual basis or when a policy is reinstated or benefits are changed. The law requires that the notices must be provided if a change is made in the insurer's information practices.

**LD 659**      **An Act To Amend the Maine Guaranteed Access Reinsurance Association Act**

**PUBLIC 124**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R FOLEY R	OTP-AM	S-123

This bill extends the suspension of the operations of the Maine Guaranteed Access Reinsurance Association for two years, until December 31, 2019. The bill also directs the Superintendent of Insurance to make a recommendation

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

before February 15, 2019 to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters relating to the continued operation or dissolution of the association.

**Committee Amendment "A" (S-123)**

This amendment replaces the bill. The amendment extends the suspension of the operations of the Maine Guaranteed Access Reinsurance Association until December 31, 2023. The amendment also authorizes the Superintendent of Insurance to develop a proposal for an innovation waiver under Section 1332 of the federal Patient Protection and Affordable Care Act to facilitate the resumption of operations of the association and, if approved by the Governor, to apply for and implement a Section 1332 waiver. The suspension of the operations is continued until 2023 to reflect that innovation waivers are currently granted for five-year terms.

**Enacted Law Summary**

Public Law 2017, chapter 124 extends the suspension of the operations of the Maine Guaranteed Access Reinsurance Association until December 31, 2023. The law also authorizes the Superintendent of Insurance to develop a proposal for an innovation waiver under Section 1332 of the federal Patient Protection and Affordable Care Act to facilitate the resumption of operations of the association and, if approved by the Governor, to apply for and implement a Section 1332 waiver. The suspension of the operations is continued until 2023 to reflect that innovation waivers are currently granted for five-year terms.

**LD 660      An Act To Allow Credit and Debit Card Surcharges      CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R FOLEY R		

Current law prohibits the seller in a sales transaction from imposing a surcharge on a cardholder who pays using a credit card or debit card. This bill repeals that prohibition.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

**LD 666      An Act To Improve Access to Cost-effective Health Care Services      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VOLK A VACHON K	ONTP	

This bill requires health insurance carriers to apply the amount paid for a health care service provided by an out-of-network provider toward the enrollee's member cost sharing as specified in the enrollee's health plan as if the health care services were provided by a network provider if the cost of the out-of-network service is the same or less than the statewide average payment for the same service based on data reported on the publicly accessible health care costs website of the Maine Health Data Organization.

**LD 696      An Act Regarding Insurance and Financial Services      CARRIED OVER**

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