

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-180)
110TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 447, L.D. 508, Bill,
"AN ACT to Provide for the Arbitration of Disputes Between
Health Insurers and Policyholders."

Amend the Bill by striking out everything after the
enacting clause and inserting in its place the following:

'Sec. 1. 24 MRSA §2316, 6th sentence, as repealed and
replaced by PL 1979, c, 541, Pt. B, §30, is amended to read:
No contracts may be delivered or issued for delivery in
this State unless they meet the requirements of Title 24-A,
sections 2438 to 2445 and section 2747.

Sec. 2. 24-A MRSA §2747 is enacted to read:
§2747. Review and Arbitration

1. Any insurer denying medical expense reimbursement
benefits on any of the grounds specified in subsection 2
for a claim filed pursuant to a policy issued under this chapter,
shall provide the policy or certificate holder with an
opportunity to have the denial reviewed by the insurer and
to arbitrate the denial if not satisfied after review. The
right to review and arbitrate shall be prominently set forth
in any written notice sent to the policy or certificate
holder denying the claim. The arbitration shall be nonbinding
and shall be carried out in accordance with procedures
established by the insurer.

2. The procedure specified in subsection 1 shall apply
to the denial of any medical expense reimbursement benefits
based upon:

A. A health condition existing prior to the effective coverage of the policy or certificate; or

B. The lack of medical necessity.

Sec. 3. 24-A MRSA §2816, as/^{last}amended by PL 1973, c. 585, §12, is further amended by adding at the end a new sentence to read:

Insurers offering policies under this chapter shall offer to certificate holders the right of review and arbitration set forth in section 2747, except that the requirement of section 2747 shall not apply to certificate holders in groups subject to the/^{United States}Employee Retirement Income Security Act of 1974, Public Law 93-406, as amended, or to any policy or certificate holder to whom the insurer voluntarily extends a review similar to that which it provides to persons insured under group policies subject to that Act.

Sec. 4. Application. This Act applies to individual and group contracts and policies in this State which are delivered, issued for delivery, renewed or amended on or after January 1, 1982.'

Statement of Fact

The purposes of this amendment are to allow insurers to establish their own arbitration procedures, to remove from arbitration the issue of the reasonableness of the provider's charge, to permit insurers to write their own notice to policyholders concerning right of arbitration, to exempt

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from the Act groups subject to certain federal requirements,
to make the Act applicable only to policies delivered on or
after January 1, 1982 and to make technical corrections.

Reported by the Committee on Business Legislation.
Reproduced and distributed under the direction of the Clerk of
the House.

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