

MAINE STATE LEGISLATURE

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L.D. 1040

(Filing No. S-298)

STATE OF MAINE
SENATE
114TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A " to S.P. 396, L.D. 1040, Bill, "An Act to Simplify Reporting Requirements for Workers' Compensation Insurers and Self-insurers"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 24-A MRSA §2371, sub-§2, ¶C, as repealed and replaced by PL 1987, c. 769, Pt. A, §99, is amended to read:

C. Information concerning Workers' Compensation Commission proceedings, including:

(1) As to each informal conference, the date, commissioner, involvement of attorney or other designated representative, ~~employer's or insurer's offer, employee's expectation~~ and the resolution; and

(2) As to each hearing, the date, commissioner, involvement of attorney or other designated representative, ~~employer's or insurer's offer, employee's demand~~ and the commissioner's decision. If a disputed claim results in multiple hearing dates, the commissioner's decision shall be reported for the last hearing date.

Sec. 2. 24-A MRSA §2371, sub-§2, ¶D, as enacted by PL 1987, c. 559, Pt. A, §4, is repealed and the following enacted in its place:

D. Cost of payment information on each claim, identified as open or closed, including:

(1) Aggregate payments to date to any physician, hospital or other medical provider. The superintendent may require information on payments to date to any physician, hospital, medical rehabilitation provider or

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1 other medical provider, together with a description of
3 the services, the name of the provider, the amount of
4 payment and the date of service;

5 (2) Payments made to date for weekly compensation,
7 impairment benefits, death benefits, funeral expenses,
8 employee legal expenses, employer legal expenses, lump
9 sums, witness fees, penalties, vocational
10 rehabilitation services with a description of the
11 services and name of the rehabilitation provider, and
12 any other type of payments under Title 39;

13 (3) With respect to open claims, an estimate of total
14 outstanding liability and separately stated outstanding
15 liability for medical care, indemnity, vocational
16 rehabilitation and any other type of payments; and

17 (4) Identification, both on payments and outstanding
18 liabilities, of benefit offsets for Social Security,
19 unemployment insurance, employer provided pensions and
20 any other source.

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22 For medical only claims, the superintendent may establish a claim
23 threshold for which the detailed claim reporting requirements of
24 this subsection shall not apply.

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26 Sec. 3. 24-A MRSA §2371, sub-§3, as enacted by PL 1987, c.
27 559, Pt. A, §4, is repealed.

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29 Sec. 4. 24-A MRSA §2371, sub-§3-A is enacted to read:

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31 3-A. Special data calls. The superintendent may, with
32 prior notice, require the insurer and self-insurer statistical
33 advisory organizations to conduct special data calls to collect
34 information usable to evaluate the costs or operations of the
35 workers' compensation system. Any special data call imposed by
36 the superintendent under this provision shall give due
37 consideration to the information collected and maintained by
38 insurers and self-insurers. Requests for information not being
39 collected on the effective date of this subsection shall be
40 prospective.

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42 Sec. 5. 24-A MRSA §2371, sub-§6, as enacted by PL 1987, c.
43 559, Pt. A, §4, is repealed and the following enacted in its
44 place:

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46 6. Reports. The superintendent shall prescribe the
47 frequency of and schedule for reports by the statistical advisory
48 organization. Reports shall be required on at least an annual
49 basis.

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1 **Sec. 6. 24-A MRSA §2371, sub-§10**, as enacted by PL 1987, c.
3 559, Pt. A, §4, is repealed and the following enacted in its
place:

5 10. Claims covered. This section shall apply to all claims
7 occurring on or after January 1, 1989; to all death, permanent
9 total and major permanent partial claims occurring between
11 January 1, 1987 and December 31, 1988; and to a reasonable
13 sample, as approved by the superintendent, of all other indemnity
15 claims occurring between January 1, 1987 and December 31, 1988.
The superintendent may suspend the reporting requirements of
specific items for periods when information which is to be
obtained from the Workers' Compensation Commission is temporarily
unavailable from that commission.

17 **Sec. 7. 24-A MRSA §2372, sub-§1**, as enacted by PL 1987, c.
19 559, Pt. A, §4, is amended to read:

21 **1. Applicability.** Each insurer with direct written premium
23 of 1% or more of the total workers' compensation market shall
submit a quarterly report, as described in this section, to the
superintendent. The superintendent may amend the reporting to an
annual basis as the policy year experience matures.

25 **Sec. 8. 39 MRSA §52**, as amended by PL 1987, c. 559, Pt. B,
27 §§19 and 20, is further amended by adding at the end 2 new
paragraphs to read:

29 The Superintendent of Insurance shall prescribe medical and
31 health care expense forms for the purpose of collecting
33 information as required by Title 24-A, section 2371. An insurer
35 or self-insurer may withhold payment of medical and health care
37 fees to any provider who fails to complete and submit the
39 prescribed form. In the event the provider fails to properly
41 complete and submit the prescribed form or to follow any fee
schedule approved by the commission, the insurer or self-insurer
is not required to file a notice of controversy but may simply
notify the provider of the failure. In the case of a dispute, any
interested party may petition the commission to resolve the
dispute.

43 No claimant may incur liability for the cost of any provided
45 medical or health care services resulting from a provider's
failure to comply with this section.

47 **Sec. 9. 39 MRSA §107**, as amended by PL 1987, c. 559, Pt. B,
49 §47, is repealed and the following enacted in its place:

§107. Information from insurance companies

51 **1. Completion of forms.** Every insurance company insuring
employers under this Act shall fill out any blanks and answer all

1 questions submitted that may relate to policies, premiums, amount
2 of compensation paid and such other information as the commission
3 or the Superintendent of Insurance may determine important,
4 either for the proper administration of this Act or for
5 statistical purposes.

7 2. Explanation of reserving policy. Every insurance
8 company subject to Title 24-A, section 2363 shall, not later
9 than 30 days after filing its annual statement, file with the
10 superintendent a detailed explanation of its reserve policy in
11 regard to claims under this chapter, including specific reserve
12 guidelines.'

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STATEMENT OF FACT

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This amendment replaces the bill with provisions that address and modify elements from LD 1040, An Act to Simplify Reporting Requirements for Workers' Compensation Insurers and Self-insurers, LD 726, An Act to Clarify the Reporting Requirements for Workers' Compensation Insurers and LD 188, An Act Relating to Workers' Compensation Insurance, to modify some of the current reporting requirements and to eliminate unnecessary data items.

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Section 1 deletes a requirement for the Bureau of Insurance to collect data on any offer made by an employer or insurer and on the expectations of an employee in workers' compensation proceedings. The bureau has found that the data is not readily available.

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Section 2 simplifies the requirement for cost of payment information on each claim as follows. In general, information would only be required on aggregate payments under each claim to each provider, but the Superintendent of Insurance could still require individual payment data on a case-by-case basis; the estimate of outstanding liability on open claims could be presented in broader categories that track the categories for which estimates actually are available; and an exemption would be provided for claims below a threshold value to be established by the superintendent. At present, a \$250 threshold is being used administratively while the data collection system is started up.

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Section 3 deletes a requirement for monitoring the charges for medical fees which is duplicated in Title 39.

Section 4 specifies authority for the superintendent to require special data calls by insurers and self-insurers.

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Section 5 allows the superintendent to set the schedule for reports from members of a statistical advisory organization to that organization and from such organizations to the Bureau of

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1 Insurance, but the latter would have to be at least annually
rather than semiannually as in present law.

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5 Section 6 limits the data requirements for the period from
January 1, 1987 to January 1, 1989, before the system was
7 changed, to major claims and a sample of the others. It allows
the superintendent to suspend temporarily reporting requirements
9 for items not available from the Workers' Compensation Commission.

11 Section 7 authorizes the superintendent to reduce the
frequency of profitability reports by insurers from quarterly to
13 annually when sufficient experience has been gathered.

15 Section 8 authorizes the superintendent to prescribe the
forms for collecting medical and health care expense data. It
17 also requires that medical providers complete those forms before
being paid for services rendered under the workers'
19 compensation system, but it reiterates the fact that the claimant
is not liable for the cost of services if the provider is not
21 paid due to the provider's failure to complete the forms. That
fact is to be stated on the forms. This parallels the Maine
23 Revised Statutes, Title 39, section 52 which states that an
injured employee is not liable for any portion of the cost of
25 medical services under that section.

27 Section 8 also simplifies the procedure for resolving
disputes over the use of the health care forms. The insurer or
29 self-insurer would not have to file a notice of controversy;
rather, the dispute may be resolved informally and any interested
31 party may petition the Workers' Compensation Commission to
resolve the dispute.

33 Section 9 deletes from Title 39 certain detailed information
on total reserves and number of claims which are duplicated in
35 Title 24-A, section 2371.

Reported by Senator Collins for the Committee on Banking
and Insurance. Reproduced and Distributed Pursuant to
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(6/15/89)

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