



115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1652

H.P. 1127

House of Representatives, April 24, 1991

Reference to the Committee on Banking and Insurance suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative MAHANY of Easton. Cosponsored by Representative RAND of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND NINETY-ONE

An Act to Exclude Certain Procedures from the Managed Care Program.

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Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24 MRSA $\S2302$ -B, first \P , as enacted by PL 1989, c. 767, $\S2$, is amended to read:

A contract issued by a nonprofit hospital or medical services organization may not include a provision permitting the organization to impose a penalty for the failure of any person to notify the organization of a covered person's hospitalization for emergency treatment <u>or for any treatment related to pregnancy</u>. For purposes of this section, "emergency treatment" has the same meaning as defined in Title 22, section 1829.

Sec. 2. 24-A MRSA §2749-A, first ¶, as enacted by PL 1989, c. 767, §3, is amended to read:

An insurance policy may not include a provision permitting the insurer to impose a penalty for the failure of any person to notify the insurer of an insured person's hospitalization for emergency treatment or for any treatment related to pregnancy. For purposes of this section, "emergency treatment" has the same meaning as defined in Title 22, section 1829.

24 Sec. 3. 24-A MRSA §2848, as enacted by PL 1989, c. 767, §4; c. 801, §3 and c. 867, §§8 and 10, is repealed and the following enacted in its place:

28 <u>§2848. Definitions</u>

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

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1. Group. "Group" means any of the types of groups under sections 2804 to 2808.

36 2. Preexisting condition exclusion. "Preexisting condition exclusion" means an exclusion of benefits for a specified or indefinite period of time on the basis of one or more physical or mental conditions for which, preceding the effective date of 40 enrollment:

A. A person experienced symptoms that would cause an ordinarily prudent person to seek diagnosis, care or
treatment; or

46 <u>B. A provider of health care services recommended or</u> provided medical advice or treatment to the person.

3. Subgroup. "Subgroup" means an employer covered under a
50 contract issued to a multiple employer trust or to an association.

4. Waiting period. "Waiting period" means a period of time after the effective date of enrollment during which a health insurance plan excludes coverage for the diagnosis or treatment of any or all medical conditions.

Sec. 4. 24-A MRSA §§2848-A and 2848-B are enacted to read:

8 <u>§2848-A. Jury service</u>

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1. Prohibition. An insurer that issues group or blanket health care contracts providing coverage for medical care to residents of this State may not terminate coverage for any person covered under those contracts because the person has been summonsed for or is engaged in jury service under Title 14, chapter 305, subchapter I-A.

 2. Application. This section applies to all policies and any certificate executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 1991.
20 For purposes of this section, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract
22 date.

24 <u>§2848-B. Penalty for failure to notify of hospitalization</u>

 An insurance policy may not include a provision permitting the insurer to impose a penalty for the failure of any person to
notify the insurer of an insured person's hospitalization for emergency treatment or for any treatment related to pregnancy.
For purposes of this section, "emergency treatment" has the same meaning as defined in Title 22, section 1829.

This section applies to policies and certificates executed, delivered, issued for delivery, continued or renewed in this State after the effective date of this section. For purposes of this section, all policies are deemed to be renewed no later than the next yearly anniversary of the contract date.

Sec. 5. Applicability. The provisions of this Act apply to contracts, policies and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after the effective date of this section. For purpose of this section, all contracts or policies are deemed to be renewed no later than the next yearly anniversary of the contract date.

STATEMENT OF FACT

This bill prohibits insurers from imposing a penalty for an insured's noncompliance with "managed care" provisions in health insurance policies when the medical treatment received relates to pregnancy. The bill also repeals and replaces 2 other sections in order resolve a numbering conflict.