

MAINE STATE LEGISLATURE

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198

L.D. 1432

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DATE: 6/5/95

(Filing No. H- 362)

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BANKING AND INSURANCE

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10 Reproduced and distributed under the direction of the Clerk of
12 the House.

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION**

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20 COMMITTEE AMENDMENT "A" to H.P. 1017, L.D. 1432, Bill, "An
22 Act to Amend the Laws Regarding Workers' Compensation Pilot
24 Projects"

22

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

26

28 **Sec. 1. 39-A MRSA §403, sub-§2, ¶¶A, B and D**, as enacted by PL
30 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, are amended to
32 read:

30

32 A. The Superintendent of Insurance shall adopt rules to
34 enable employers and employees to enter into agreements to
36 provide the employees with health care benefits covering
38 workplace injury and illness and nonworkplace injury and
40 illness and other health care benefits, or health care and
42 indemnity benefits covering workplace injury and illness and
44 nonworkplace injury and illness and other health care and
46 indemnity benefits, in comprehensive pilot projects. The
health care and indemnity benefits may be provided by:
organizations authorized to do business under Title 24;
insurers or health maintenance organizations authorized to
do business under Title 24-A; employee benefit plans; and
benefit plans of employers who self-insure under this
section. The superintendent shall review all pilot project
proposals and may approve a proposal only if it confers
medical benefits, or medical and indemnity benefits
depending on the pilot project proposal, upon injured

COMMITTEE AMENDMENT

2 employees substantially-similar--to that are equal to or
3 greater than the benefits available under this Title.
4 Indemnity benefits may only be modified in those pilot
5 projects providing medical and disability benefits for all
6 workplace and nonworkplace diseases and injuries. The
7 superintendent shall revoke approval if the pilot project
8 fails to deliver the intended benefits ~~to--the--injured~~
9 employees contained in the proposal. A pilot project
10 proposal that provides indemnity benefits deviating in any
11 way from the indemnity benefits provided under this Title
12 must include in its application to the superintendent for
13 approval under this section a methodology for identifying
14 both the costs and benefits of the deviations and a
15 methodology for comparing those costs and benefits to the
16 costs and benefits provided under this Title. The
17 superintendent may not approve a pilot project that does not
18 provide, as determined by the superintendent, an adequate
19 basis for making the foregoing cost-benefit comparison
20 between the pilot project and this Title.

21 B. Notwithstanding the provisions of section 206, the
22 comprehensive health care benefits pilot project may allow
23 for case management and cost control mechanisms, including
24 the use of preferred provider organizations. The premium
25 for coverage of the employee for benefits available under
26 this Title must be paid entirely by the employer. The
27 premium for other benefits may be paid by the employer, the
28 employee or the employer and employee together. The
29 deductible for the health care of the employee may not
30 exceed a maximum of \$50 per injury or illness and the
31 coinsurance may not exceed \$5 per treatment of the employee
32 by the health care provider.

33 D. Unless continued or modified by law, this subsection is
34 repealed ~~on-October-31,-1996~~ January 1, 2001.'

35 Further amend the bill by inserting at the end before the
36 statement of fact the following:

37 **FISCAL NOTE**

38 The Bureau of Insurance within the Department of
39 Professional and Financial Regulation will incur some minor
40 additional costs to amend certain rules pertaining to workers'
41 compensation pilot projects. These costs can be absorbed within
42 the bureau's existing budgeted resources.'

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STATEMENT OF FACT

This amendment authorizes the Superintendent of Insurance to approve pilot projects in workers' compensation that offer both medical and indemnity benefits to employees. The medical and indemnity benefits offered to employees must be equal to or greater than the benefits conferred by the Maine Revised Statutes, Title 39-A. Indemnity benefits may be modified only if the pilot project provides medical and disability benefits for all workplace and nonworkplace diseases and injuries.

The amendment requires that the premium for benefits conferred under Title 39-A must be paid entirely by the employer. The premium for other benefits may be paid by the employer, the employee or the employer and employee together.

The amendment also requires pilot project proposals to contain a methodology for comparing the costs and benefits of the pilot project to the costs and benefits provided to employees under Title 39-A.

The amendment changes the repeal date to reflect Public Law 1995, chapter 36 and adds a fiscal note.