

# MAINE STATE LEGISLATURE

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R. & S.

L.D. 1168

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## BANKING AND INSURANCE

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### STATE OF MAINE SENATE 119TH LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 389, L.D. 1168, Bill, "An Act to Provide Equity in Prescription Insurance for Contraceptive Coverage"

Amend the bill in section 1 in that part designated "~~S2332-J.~~" in subsection 1 in the last line (page 1, line 20 in L.D.) by inserting after the following: "pregnancy." the following: 'This section may not be construed to apply to prescription drugs or devices that are designed to terminate a pregnancy.'

Further amend the bill in section 1 in that part designated "~~S2332-J.~~" by striking out all of subsection 2 and inserting in its place the following:

'2. Exclusion for religious employer. A religious employer may request and a nonprofit hospital or medical service organization or nonprofit health care service organization shall grant an exclusion under the policy or contract for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains an exclusion under this subsection shall provide prospective insureds and those individuals insured under its policy written notice of the exclusion. This section may not be construed as authorizing a nonprofit hospital or medical service organization or nonprofit health care service organization to exclude coverage for prescription drugs prescribed for reasons other than contraceptive purposes or for prescription contraception that is necessary to preserve the life or health of a covered person. For the purposes of this section, "religious employer" means an employer that is a church, convention or association of churches

or an elementary or secondary school that is controlled, operated or principally supported by a church or by a convention or association of churches as defined in 26 United States Code, Section 3121 (w) (3) (A) and that qualifies as a tax-exempt organization under 26 United States Code, Section 501(c) (3).'

Further amend the bill in section 2 in that part designated "~~§2756.~~" in subsection 1 in the 3rd line (page 2, line 4 in L.D.) by inserting after the following: "Medicare supplement," the following: 'disability income,'

Further amend the bill in section 2 in that part designated "~~§2756.~~" in subsection 1 in the last line (page 2, line 16 in L.D.) by inserting after the following: "pregnancy." the following: 'This section may not be construed to apply to prescription drugs or devices that are designed to terminate a pregnancy.'

Further amend the bill in section 2 in that part designated "~~§2756.~~" by striking out all of subsection 2 and inserting in its place the following:

'2. Exclusion for religious employer. A religious employer may request and an insurer shall grant an exclusion under the policy or contract for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains an exclusion under this subsection shall provide prospective insureds and those individuals insured under its policy written notice of the exclusion. This section may not be construed as authorizing an insurer to exclude coverage for prescription drugs prescribed for reasons other than contraceptive purposes or for prescription contraception that is necessary to preserve the life or health of a covered person. For the purposes of this section, "religious employer" means an employer that is a church, convention or association of churches or an elementary or secondary school that is controlled, operated or principally supported by a church or by a convention or association of churches as defined in 26 United States Code, Section 3121 (w) (3) (A) and that qualifies as a tax-exempt organization under 26 United States Code, Section 501(c) (3).'

Further amend the bill in section 3 in that part designated "~~§2847-G.~~" in subsection 1 in the 3rd line (page 2, line 51 in L.D.) by inserting after the following: "Medicare supplement," the following: 'disability income,'

Further amend the bill in section 3 in that part designated "~~§2847-G.~~" in subsection 1 in the last line (page 3, line 11 in

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L.D.) by inserting after the following: "pregnancy." the following: 'This section may not be construed to apply to prescription drugs or devices that are designed to terminate a pregnancy.'

Further amend the bill in section 3 in that part designated "~~\$2847-G.~~" by striking out all of subsection 2 and inserting in its place the following:

'2. Exclusion for religious employer. A religious employer may request and an insurer shall grant an exclusion under the policy or contract for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains an exclusion under this subsection shall provide prospective insureds and those individuals insured under its policy written notice of the exclusion. This section may not be construed as authorizing an insurer to exclude coverage for prescription drugs prescribed for reasons other than contraceptive purposes or for prescription contraception that is necessary to preserve the life or health of a covered person. For the purposes of this section, "religious employer" means an employer that is a church, convention or association of churches or an elementary or secondary school that is controlled, operated or principally supported by a church or by a convention or association of churches as defined in 26 United States Code, Section 3121 (w) (3) (A) and that qualifies as a tax-exempt organization under 26 United States Code, Section 501(c) (3).'

Further amend the bill in section 4 in that part designated "~~\$4245.~~" in subsection 1 in the last line (page 4, line 4 in L.D.) by inserting after the following: "pregnancy." the following: 'This section may not be construed to apply to prescription drugs or devices that are designed to terminate a pregnancy.'

Further amend the bill in section 4 in that part designated "~~\$4245.~~" by striking out all of subsection 2 and inserting in its place the following:

'2. Exclusion for religious employer. A religious employer may request and a health maintenance organization shall grant an exclusion under the policy or contract for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains an exclusion under this subsection shall provide prospective insureds and those individuals insured under its policy written notice of the exclusion. This section may not be construed as authorizing a health maintenance organization to exclude coverage for

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2 prescription drugs prescribed for reasons other than  
3 contraceptive purposes or for prescription contraception that is  
4 necessary to preserve the life or health of a covered person. For  
5 the purposes of this section, "religious employer" means an  
6 employer that is a church, convention or association of churches  
7 or an elementary or secondary school that is controlled, operated  
8 or principally supported by a church or by a convention or  
9 association of churches as defined in 26 United States Code,  
10 Section 3121 (w) (3) (A) and that qualifies as a tax-exempt  
11 organization under 26 United States Code, Section 501(c) (3).'

12 Further amend the bill by striking out all of section 5 and  
13 inserting in its place the following:

14 **'Sec. 5. Application.** The requirements of this Act apply to  
15 all policies, contracts and certificates executed, delivered,  
16 issued for delivery, continued or renewed in this State on or  
17 after March 1, 2000. For purposes of this Act, a contract is  
18 deemed to be renewed no later than the next yearly anniversary of  
19 the contract date.

22 **Sec. 6. Exemption from review.** Notwithstanding Maine Revised  
23 Statutes, Title 24-A, section 2752, this Act is enacted without  
24 review by the Bureau of Insurance within the Department of  
25 Professional and Financial Regulation.'

26 Further amend the bill by inserting at the end before the  
27 summary the following:

30 **FISCAL NOTE**

32 The Bureau of Insurance within the Department of  
33 Professional and Financial Regulation will incur some minor  
34 additional costs to review additional contract filings for  
35 compliance. These costs can be absorbed within the bureau's  
36 existing budgeted resources.

38 The State's current health insurance plan includes coverage  
39 for this mandated benefit. Assuming that future contracts will  
40 contain the same level of coverage, this bill will not increase  
41 the costs of the State's health insurance plan.

44 Any effect on the retired teachers' health insurance plans  
45 is expected to be insignificant.'

48 **SUMMARY**

50 This amendment is the majority report of the committee. It  
51 removes the prohibition sections of the bill and clarifies that

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the bill may not be construed to apply to prescription drugs or devices that are designed to terminate a pregnancy. The amendment also adds disability income insurance to the types of insurance that are exempted from the requirement to provide contraceptive coverage.

The amendment provides an exemption from the purchase of an insurance policy providing mandated coverage for contraceptives for religious employers.

The amendment provides an exemption from the requirement that this bill undergo review and evaluation by the Bureau of Insurance before being enacted into law.

The amendment applies to all policies and contracts issued or renewed on or after March 1, 2000.

The amendment also adds a fiscal note to the bill.