

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 630

H.P. 460

House of Representatives, February 11, 2003

An Act To Prohibit Mandatory Arbitration in Health Carrier Contracts

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND

Clerk

Presented by Representative CANAVAN of Waterville.

Cosponsored by Senator TREAT of Kennebec and

Representatives: DUDLEY of Portland, LAVERRIERE-BOUCHER of Biddeford, MAKAS of Lewiston, MARRACHÉ of Waterville, PERRY of Calais, SMITH of Van Buren, YOUNG of Limestone.

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

4 **Sec. 1. 24-A MRSA §4303, sub-§9** is enacted to read:

6 9. **Mandatory arbitration prohibited.** A carrier may not
8 require mandatory, binding arbitration as the sole mechanism for
10 formal dispute resolution under its health plans or participating
12 provider agreements. A carrier may provide for arbitration,
14 either binding or nonbinding, as an optional mechanism for
16 dispute resolution under its health plans or participating
18 provider agreements as long as the optional arbitration provision
20 provides for the payment of the costs of the arbitration by the
nonprevailing party.

SUMMARY

18 This bill prohibits a carrier offering a health plan in this
20 State from requiring mandatory, binding arbitration as the sole
mechanism for formal dispute resolution under its health plans.