

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST REGULAR SESSION

December 7, 1988 to July 1, 1989

Chapters 1 - 502

THE GENERAL EFFECTIVE DATE FOR
NON-EMERGENCY LAWS IS
SEPTEMBER 30, 1989

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1989

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

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ONE HUNDRED AND FOURTEENTH LEGISLATURE

1989

Sec. 3. 22 MRSA §2382, sub-§1, as enacted by PL 1987, c. 747, §3, is amended to read:

1. Marijuana. Possession of a usable amount of marijuana is a civil violation for which a forfeiture of not more less than \$200 may nor more than \$400 shall be adjudged for the first offense. A forfeiture of \$400 shall be adjudged for the 2nd and subsequent offenses within a 6-year period.

See title page for effective date.

CHAPTER 345

H.P. 205 - L.D. 285

An Act to Improve Regulatory Oversight of Health Maintenance Organizations

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

Sec. 1. 24-A MRSA §4204, sub-§2-A, ¶1D, as amended by PL 1985, c. 704, §6, is repealed and the following enacted in its place:

D. The health maintenance organization is financially responsible and, among other factors, shall reasonably be expected to meet its obligations to enrollees and prospective enrollees.

(1) The health maintenance organization possesses and maintains minimum surplus as follows:

(a) As of December 31, 1989, \$200,000;

(b) As of December 31, 1990, \$300,000; and

(c) As of December 31, 1991, \$400,000.

(2) A health maintenance organization which reports incurred, but not reported, claims liability in its financial statements as long-term debt shall establish and maintain a liquid cash reserve represented by assets consisting of cash, prime commercial paper, marketable securities with maturities not exceeding 2 years' duration and certificates of deposit issued by banks and thrift institutions located within the United States and which are fully insured by the Federal Deposit Insurance Corporation. The value of the cash reserves shall at least equal the health maintenance organization's claims incurred, but not reported, as determined monthly by methods of claims valuation found acceptable by the superintendent. Any nonprofit

health maintenance organization employing fund accounts shall maintain restricted assets in a like manner. These funds shall be in addition to and shall not be included as a part of working capital funds required by rule of the Bureau of Insurance.

(3) In making the determination whether the health maintenance organization is financially responsible, the superintendent may also consider:

(a) The financial soundness of the health maintenance organization's arrangements for health care services and the schedule of charges used;

(b) The adequacy of working capital;

(c) Any agreement with an insurer, a nonprofit hospital or medical service corporation, a government or any other organization for insuring or providing the payment of the cost of health care services or the provision for automatic applicability of an alternative coverage in the event of discontinuance of the plan;

(d) Any agreement with providers for the provision of health care services; and

(e) Any arrangements for insurance coverage or an adequate plan for self-insurance to respond to claims for injuries arising out of the furnishing of health care services.

Sec. 2. 24-A MRSA §4230 is enacted to read:

§4230. Trade practices and frauds

Chapter 23 and any rules adopted pursuant to it, to the extent not inconsistent with this chapter and the reasonable implications of this chapter, shall apply to health maintenance organizations.

See title page for effective date.

CHAPTER 346

H.P. 513 - L.D. 693

An Act to Reform the Maine Board of Professional Surveyors Law

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