

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

SECOND SPECIAL SESSION

December 12, 1991 to January 7, 1992

SECOND REGULAR SESSION

January 8, 1992 to March 31, 1992

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 30, 1992

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
1992

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
SECOND REGULAR SESSION

of the
ONE HUNDRED AND FIFTEENTH LEGISLATURE

1991

accompanies an application to the State for a subsequent certificate of title.

CHAPTER 701

H.P. 1504 - L.D. 2117

B. The legend "rebuilt salvage" ~~shall~~ must appear on a salvage certificate of title for a rebuilt salvage vehicle if:

An Act Regarding Review and Evaluation of Proposed Mandated Health Legislation

(1) Two or more vehicles with different frames are joined; ~~or~~

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

(2) A salvage vehicle has 5 or more component parts replaced; or

Sec. 1. 5 MRSA §12004-I, sub-§50, as repealed and replaced by PL 1989, c. 556, Pt. A, §1, is repealed.

(3) A certificate of title with the legend "rebuilt salvage" issued by the Secretary of State or by any other jurisdiction accompanies an application to the State for a subsequent certificate of title.

Sec. 2. 24 MRSA §2320-A, sub-§4, as enacted by PL 1989, c. 875, Pt. I, §2, is amended to read:

C. The legend "rebuilt" ~~shall~~ must appear on a salvage certificate of title for a rebuilt salvage vehicle if a salvage vehicle has at least one, but less than 5, component parts replaced; and:

4. Reports. Each nonprofit hospital and medical care service organization subject to this section shall report to the superintendent its experience for each calendar year beginning with 1991 not later than April 30th of the following calendar year. The report must include the information required and be presented in the form prescribed by the superintendent. The report must include the amount of claims paid in this State for services required by this section. The superintendent shall compile this data in an annual report and submit the report to the ~~Mandated Benefits Advisory Commission established by Title 5, section 12004-I, subsection 50~~ joint standing committee of the Legislature having jurisdiction over banking and insurance matters.

(1) A salvage vehicle has at least one, but less than 5, component parts replaced; or

Sec. 3. 24 MRSA §2325-B, as amended by PL 1989, c. 878, Pt. A, §65, is repealed.

(2) A certificate of title with the legend "rebuilt" issued by the Secretary of State or by any other jurisdiction accompanies an application to the State for a subsequent certificate of title.

Sec. 4. 24 MRSA §2332-C, as enacted by PL 1989, c. 556, Pt. A, §3, is amended to read:

D. If a salvage vehicle, for which a state certificate of salvage title has been issued by this State with any of the legends described in this section, is subsequently titled in another state jurisdiction and later retitled in this State, any subsequent state certificate of title ~~certificate shall from this State~~ must also contain the legends appearing on the original state previous certificate of title from this State.

§2332-C. Assessment of mandated benefits proposals

The requirements of Title 24-A, section ~~2751~~ 2752 apply to any legislative measure ~~which that~~ proposes a mandated health benefit applicable to nonprofit hospital or medical services organizations, to the extent the ~~requirement applies~~ requirements apply to proposals applicable to insurers governed by Title 24-A.

Sec. 7. Allocation. The following funds are allocated from the Highway Fund to carry out the purposes of this Act.

Sec. 5. 24-A MRSA §2701, sub-§2, ¶B, as enacted by PL 1989, c. 556, Pt. A, §4, is amended to read:

SECRETARY OF STATE, DEPARTMENT OF THE

Administration - Motor Vehicles

All Other \$400

Provides funds to purchase forms for the motor vehicle salvage title program.

B. Section ~~2751~~ shall apply ~~2752~~ applies with respect to mandated benefits for group or blanket health policies.

Sec. 6. 24-A MRSA §2745-A, sub-§4, as enacted by PL 1989, c. 875, Pt. I, §3, is amended to read:

4. Reports. Each insurer that issues policies subject to this section shall report to the superintendent its experience for each calendar year beginning

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with 1991 not later than April 30th of the following calendar year. The report must include the information required and be presented in the form prescribed by the superintendent. The report must include the amount of claims paid in this State for services required by this section. The superintendent shall compile this data in an annual report and submit the report to the ~~Mandated Benefits Advisory Commission, established by Title 5, section 12004-I, subsection 50~~ joint standing committee of the Legislature having jurisdiction over banking and insurance matters.

Sec. 7. 24-A MRSA §2751, as amended by PL 1991, c. 333, §2, is repealed.

Sec. 8. 24-A MRSA §2752 is enacted to read:

§2752. Mandated health legislation procedures

1. Mandated health benefits proposals. For purposes of this section, a mandated health benefit proposal is one that mandates health insurance coverage for specific health services, specific diseases or certain providers of health care services as part of individual or group health insurance policies. A mandated option is not a mandated benefit for purposes of this section.

2. Procedures before legislative committees. Whenever a legislative measure containing a mandated health benefit is proposed, the joint standing committee of the Legislature having jurisdiction over the proposal shall hold a public hearing and determine the level of support for the proposal among the members of the committee. If there is substantial support for the proposed mandate among members of the committee, the committee may refer the proposal to the Bureau of Insurance for review and evaluation pursuant to subsection 3. A proposed mandate may not be enacted into law unless review and evaluation pursuant to subsection 3 has been completed.

3. Review and evaluation. Upon referral of a mandated health benefit proposal from the joint standing committee of the Legislature having jurisdiction over the proposal, the Bureau of Insurance shall conduct a review and evaluation of the mandated health benefit proposal and shall report to the committee in a timely manner. The report must include, at the minimum and to the extent that information is available, the following:

A. The social impact of mandating the benefit, including:

- (1) The extent to which the treatment or service is utilized by a significant portion of the population;
- (2) The extent to which the treatment or service is available to the population;

(3) The extent to which insurance coverage for this treatment or service is already available;

(4) If coverage is not generally available, the extent to which the lack of coverage results in persons being unable to obtain necessary health care treatment;

(5) If the coverage is not generally available, the extent to which the lack of coverage results in unreasonable financial hardship on those persons needing treatment;

(6) The level of public demand and the level of demand from providers for the treatment or service;

(7) The level of public demand and the level of demand from the providers for individual or group insurance coverage of the treatment or service;

(8) The level of interest of collective bargaining organizations in negotiating privately for inclusion of this coverage in group contracts;

(9) The likelihood of achieving the objectives of meeting a consumer need as evidenced by the experience of other states;

(10) The relevant findings of the state health planning agency or the appropriate health system agency relating to the social impact of the mandated benefit;

(11) The alternatives to meeting the identified need;

(12) Whether the benefit is a medical or a broader social need and whether it is consistent with the role of health insurance;

(13) The impact of any social stigma attached to the benefit upon the market;

(14) The impact of this benefit on the availability of other benefits currently being offered; and

(15) The impact of the benefit as it relates to employers shifting to self-insured plans;

B. The financial impact of mandating the benefit, including:

(1) The extent to which the proposed insurance coverage would increase or decrease

the cost of the treatment or service over the next 5 years;

(2) The extent to which the proposed coverage might increase the appropriate or inappropriate use of the treatment or service over the next 5 years;

(3) The extent to which the mandated treatment or service might serve as an alternative for more expensive or less expensive treatment or service;

(4) The methods that will be instituted to manage the utilization and costs of the proposed mandate;

(5) The extent to which the insurance coverage may affect the number and types of providers of the mandated treatment or service over the next 5 years;

(6) The extent to which insurance coverage of the health care service or provider may be reasonably expected to increase or decrease the insurance premium and administrative expenses of policyholders;

(7) The impact of indirect costs, which are costs other than premiums and administrative costs, on the question of the costs and benefits of coverage;

(8) The impact of this coverage on the total cost of health care; and

(9) The effects on the cost of health care to employers and employees, including the financial impact on small employers, medium-sized employers and large employers;

C. The medical efficacy of mandating the benefit, including:

(1) The contribution of the benefit to the quality of patient care and the health status of the population, including the results of any research demonstrating the medical efficacy of the treatment or service compared to alternatives or not providing the treatment or service; and

(2) If the legislation seeks to mandate coverage of an additional class of practitioners:

(a) The results of any professionally acceptable research demonstrating the medical results achieved by the additional class of practitioners relative to those already covered; and

(b) The methods of the appropriate professional organization that assure clinical proficiency; and

D. The effects of balancing the social, economic and medical efficacy considerations, including:

(1) The extent to which the need for coverage outweighs the costs of mandating the benefit for all policyholders; and

(2) The extent to which the problem of coverage may be solved by mandating the availability of the coverage as an option for policyholders.

Sec. 9. 24-A MRSA §2837-A, sub-§4, as enacted by PL 1989, c. 875, Pt. I, §6, is amended to read:

4. Reports. Each insurer that issues policies subject to this section shall report to the superintendent its experience for each calendar year beginning with 1991 not later than April 30th of the following calendar year. The report must include the information required and be presented in the form prescribed by the superintendent. The report must include the amount of claims paid in this State for services required by this section. The superintendent shall compile this data in an annual report and submit the report to the ~~Mandated Benefits Advisory Commission established in Title 5, section 12004-I, subsection 50~~ joint standing committee of the Legislature having jurisdiction over banking and insurance matters.

See title page for effective date.

CHAPTER 702

H.P. 1553 - L.D. 2191

An Act to Authorize the Construction of Two Veterans' Homes in Eastern and Western Maine

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, two additional veterans' homes are necessary to provide adequate care of and service to Maine veterans; and

Whereas, federal funds may be available for the construction of the additional facilities; and

Whereas, the Board of Trustees of the Maine Veterans' Homes must have authority to apply for federal funds in a timely manner; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Con-