MANDATED BENEFITS ADVISORY COMMISSION

Report on

Breast Reconstruction

May, 1991

Presented to the Governor and to the 115th Maine Legislature

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EXECUTIVE SUMMARY

This mandate would require health insurance coverage for breast reconstruction following a mastectomy. It is important to differentiate this from breast augmentation or reduction surgery, which are usually considered cosmetic. Breast reconstruction is usually performed following a partial or radical mastectomy, sometimes during the same surgical session. The procedure is done to restore the breast as nearly as possible to its previous condition following the removal of tissue.

Blue Cross, HMOs, and all commercial insurance carriers who were contacted currently cover this procedure, so the financial impact of the mandate would be small. In the course of this study, all commercial carriers contacted confirmed that they do cover claims for reconstructive breast surgery following a mastectomy.

FINDINGS AND CONCLUSIONS

The Commission has been asked to address the issue of mandating health insurance coverage for breast reconstruction following a mastectomy. Because of time constraints, there was not sufficient information for a comprehensive enough study to analyze completely the desirability of mandating this coverage. Additionally, the Banking and Insurance Committee has chosen to address this issue through the definition of medically necessary mastectomy surgery. Therefore, the Commission makes no recommendation on the proposed mandate at this time.

INTRODUCTION

On March 18, 1991, the Committee on Banking and Insurance of the 115th Maine Legislature instructed the Mandated Benefits Advisory Commission to review LD 321 'An Act to Require Insurance Coverage for Reconstructive Breast Surgery for Women Who Have Had Mastectomies,' and to report back by May 1, 1991. Because of the short time allowed for the report, no original research was undertaken. Instead, reviews of existing studies and surveys of states, insurance companies, and providers were used to gather as much information as possible and incorporate such information into the structure of the questions which statutorily must be addressed when reviewing any proposed mandate. Where no information was available, it is so noted on this report.

In an attempt to discover the extent of coverage (or lack thereof), the primary sponsor of the bill was contacted for input. This led to a referral to the Maine Chapter of the American Cancer Society. Additional calls were made to Blue Cross, commercial insurers, and the Health Policy Advisory Council. From these calls, no information could be obtained concerning people who were unable to have this procedure covered. The Commission is unaware of any companies which do not currently cover this procedure. To the extent that people do have coverage, this mandate would have no effect. To the extent that people do not have coverage, this mandate would increase their access to treatment.

The procedure discussed in this report is reconstructive breast surgery following a mastectomy, which is not the same as surgery for either breast enlargement or reduction. Those two procedures are usually cosmetic in nature, whereas reconstruction following a mastectomy is used to repair the damage caused to the breast by the removal of tissue.

SOCIAL IMPACTS

A. The social impact of mandating the benefit which shall include:

1. The extent to which the treatment or service is utilized by a significant portion of the population;

Since reconstructive breast surgery is utilized only by women who have undergone a partial or total removal of one or both breasts, usually as part of a treatment process for breast cancer, this treatment would be utilized by a small portion of the population.

2. The extent to which the treatment or service is available to the population;

Breast reconstructive surgery is available in most larger hospitals.

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

Coverage is currently offered in Maine by Blue Cross, HMOs, and all the commercial insurance carriers contacted.

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;

Not Applicable.

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;

Not Applicable.

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

This procedure is not a high demand item -- it is utilized only when surgery is required because other methods of treating breast cancer were ineffective.

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

No input received.

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

No input received.

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

Eleven states currently have a mandate for reconstructive breast surgery. None of those states either had a study done before the mandate or a reporting requirement after the mandate was instituted. Some states incorporate language which describes breast reconstruction as part of the process of breast cancer treatment.

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;

No input received.

11. The alternatives to meeting the identified need;

Two alternatives would be to forego treatment, or to purchase prosthetic devises.

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

No input received.

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

There is no stigma attached to the benefit. The stigma is attached to nontreatment.

14 The impact of this benefit upon the availability of other benefits currently being offered; and

No impact is likely since the service is generally already covered.

15. The impact of the benefit as it relates to employers shifting to self-insurance plans.

No impact is likely since the service is generally already covered.

FINANCIAL IMPACT

B. The financial impact of mandating the benefit which shall include:

1. The extent to which the proposed insurance coverage would increase or decrease the cost of the treatment or service over the next five years;

Since reconstructive breast surgery is generally already covered, it seems unlikely that the mandate would change the cost of this procedure.

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

Since reconstructive breast surgery is generally already covered, and since this procedure is utilized primarily by breast cancer patients, it seems unlikely that utilization patterns would change significantly.

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

Prosthetics or nontreatment are two alternatives which are less expensive.

4. The methods which will be instituted to manage the utilization and costs of the proposed mandate;

Utilization would be limited by precondition of mastectomy.

5. The extent to which the insurance coverage may affect the number and types of providers over the next five years;

Because this service is performed by physicians and only after mastectomy, and because it is already generally covered, it appears unlikely that the number or types of providers would significantly change over the next five 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;

Since this procedure is generally already covered on most policies, there would be little effect on insurance premium or on administrative expenses.

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;

No input received.

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

Because reconstructive breast surgery is already generally covered, there would be little impact on the total cost of health care.

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.

There would be little change in costs, because the procedure is already generally covered.

MEDICAL EFFICACY

C. The medical efficacy of mandating the benefit which shall include:

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

No input received.

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

Not applicable.

b. The methods of the appropriate professional organization that assure clinical proficiency.

Not Applicable.

BALANCING THE EFFECTS

D. The effects of balancing the social, economic, and medical efficacy considerations which shall include:

1. The extent to which the need for coverage outweighs the cost of mandating the benefit for all policyholders; and

Since breast reconstructive surgery following a mastectomy is already generally covered, there would be little cost involved.

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

The procedure is widely covered now. To the extent that coverage does not exist, the mandate would solve that problem.

FINDINGS AND CONCLUSIONS

The Commission has been asked to address the issue of mandating health insurance coverage for breast reconstruction following a mastectomy. Because of time constraints, there was not sufficient information for a comprehensive enough study to analyze completely the desirability of mandating this coverage. Additionally, the Banking and Insurance Committee has chosen to address this issue through the definition of medically necessary mastectomy surgery. Therefore, the Commission makes no recommendation on the proposed mandate at this time.

APPENDIX A
Charge to the Commission

Appendix A

Index

APPROVED	CHAPTER
JUL 10 '89	556.
BY GOVERNOR	PUBLIC LAW

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-NINE

H.P. 560 - L.D. 758

An Act Relating to Health Insurance

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

Whereas, this legislation permits the Joint Standing Committee on Banking and Insurance to request that the Mandated Benefits Advisory Commission formed in Part A of this Act perform studies on various issues and report to the Legislature. The committee intends to request the studies be performed by the fall of 1989; and

Whereas, in order for the studies to go forward in a timely manner, it is necessary for the members of the commission to be appointed and to begin work as soon as possible after enactement of this legislation; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

PART A

Sec. 1. 5 MRSA §12004-I, sub-§50, as enacted by PL 1987, c. 786, §5, is repealed and the following enacted in its place:

50. Insurance	Mandated Benefits Advisory Commission	Legislative Per Diem and Expenses	24 MRSA §2325-B

Sec. 2. 24 MRSA §2325-B, as enacted by PL 1987, c. 480, §3 is repealed and the following enacted in its place:

§2325-B. Mandated Benefits Advisory Commission

1. Appointment; membership. The Mandated Benefits Advisory Commission, as established by Title 5, section 12004-I, subsection 50, shall be composed of 19 members.

A. The following members shall be appointed by the President of the Senate and the Speaker of the House of Representatives:

(1) Two health insurance consumers who are not otherwise affiliated with the provision or financing of health care;

(2) One representative of a labor organization;

(3) Three Legislators, 2 of whom shall be members of the joint standing committee having jurisdiction over insurance matters and one of whom shall be a member of the joint standing committee having jurisdiction over human resource matters;

(4) One chiropractor; and

(5) One representative of a statewide association of public health professionals.

Initial appointments shall be made no later than 30 days after the effective date of this section.

B. The following members shall be appointed by the Governor:

(1) Two health insurance consumers who are not otherwise affiliated with the provision or financing of health care;

(2) One representative of a labor organization;

(3) One representative of a commercial health insurance company;

(4) One representative of a nonprofit hospital or medical service organization;

(5) One representative of a licensed alcohol and substance abuse treatment program;

(6) One representative of a licensed mental health treatment program;

(7) One representative of small business;

(8) One representative of a major industry and business trade association;

(9) One physician, provided that the Governor shall alternately appoint an allopathic and an osteopathic physician ; and

(10) One representative of the hospital industry.

The Governor shall notify the President of the Senate, the Speaker of the House of Representatives and the Executive Director of the Legislative Council of the appointments as soon as they are made. Initial appointments shall be made within 30 days of the effective date of this section.

2. Terms. Except for initial appointees, members shall serve for 3-year terms. The appointing authority shall determine the terms of initial appointees so that 1/3 of the appointments made by the authority shall serve 3-year terms, 1/3 serve 2 year terms and 1/3 serve one-year terms.

3. Ex officio members. A representative of the Bureau of Insurance and a representative of the Bureau of Health shall serve on the committee as ex officio nonvoting members.

4. First meeting; commission chair. The Chair of the Legislative Council shall call the first meeting no later than September 1, 1989. The commission shall select a chair or cochairs, as determined by the membership, and shall make other decisions regarding the organization and structure of the commission as necessary in order to effectively carry out its duties under this section.

5. Commission responsibilities. The commission shall have the following responsibilities:

A. The commission shall develop and maintain, with the Bureau of Insurance, a system and program of data collection to assess the impact of mandated benefits, including costs to employers and insurers, impact of treatment, cost savings in the health care system, number of providers and other data as may be appropriate.

B. The commission shall advise and assist the Bureau of Insurance on matters relating to mandated insurance benefits regulations.

C. The commission shall perform assessments of proposed and existing mandated benefits and other studies of mandated benefits issues as requested by the Legislature pursuant to Title 24-A, section 2751.

D. The commission shall report annually on its activities to the joint standing committee of the Legislature having jurisdiction over insurance by March 30th of each year.

6. Staff. The Bureau of Insurance shall provide staffing assistance to the commission.

7. Compensation. Upon request to the Bureau of Insurance, commission members shall be compensated as provided in Title 5, chapter 379.

Sec. 3. 24 MRSA §2332-C is enacted to read:

§2332-C. Assessment of mandated benefits proposals

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

Sec. 4. 24-A MRSA §2701, sub-§2, as amended by PL 1985, c. 648, §9, is repealed and the following enacted in its place:

2. Any group or blanket policy, except that:

A. Sections 2736, 2736-A and 2736-B shall apply to group Medicare supplement policies as defined in chapter 67 and group nursing home care and long-term care insurance policies as defined in chapter 68; and

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

Sec. 5. 24-A MRSA §2751 is enacted to read:

§2751. Assessment of mandated benefits proposals; studies of mandated benefits issues

1. Proposed mandatory health insurance benefits; impact assessment study. Whenever a legislative measure containing a mandated health benefit is proposed, the joint standing committee having jurisdiction over the proposal shall request that the Mandated Benefits Advisory Commission prepare and forward to the Governor and the Legislature, by a certain date, a study that assesses the social and financial effects and the medical efficacy of the proposed mandated benefit. The study may be

conducted by the commission or pursuant to a contract with the commission and shall analyze information collected from a state data collection system, proponents of the new mandate, the Bureau of Insurance, health planning organizations and other appropriate data sources. For purposes of this section, a mandated health benefit proposal is one that mandates health insurance coverage for specific health services, specific diseases or for 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.

The study shall include, at the minimum and to the extent that information is available, the following:

A. The social impact of mandating the benefit which shall include:

(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 which shall include:

(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 which 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 which shall include:

(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 which shall include:

(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.

2. Studies of existing mandated benefits. The joint standing committee of the Legislature having jurisdiction over insurance matters shall request that the Mandated Benefits Advisory Commission assess the social and financial effects and the medical efficacy of existing mandated benefits laws. The committee shall submit a schedule of assessments to the commission by February 1, 1990, setting forth the dates by which particular laws shall be assessed by the commission. The assessments shall include information relative to the same issues as for an assessment of proposed mandates, except that the data to be included shall be existing data on the actual effects of the mandate, rather than predictions of likely effects of the mandate.

3. Studies of other issues. The joint standing committee of the Legislature having jurisdiction over insurance matters may request that the commission prepare and forward to the committee studies on other issues relating to mandated benefits, such as the applicability of mandates to various types of insurers, the application of managed care programs to mandated benefits and issues related to other alternative delivery systems. Requests to the commission shall be made in writing, signed by the chairs of the committee, and shall set forth the scope of the issue and a date by which the study shall be completed and forwarded to the Legislature.

Sec. 6. Allocation. The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

	1989-90	1990-91
PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF		
Bureau of Insurance		
Personal Services	$12,540	$12,540
All Other	33,400	33,400
Provides funding for the per diem and expenses of the Mandated Benefits Advisory Commission. Includes funds for the expenses of the Bureau of Insurance to staff the commission.		
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION TOTAL	$45,940	$45,940

Sec. I-2. 24 MRSA §2320-A is enacted to read:

§2320-A. Screening mammograms

1. Definition. For purposes of this section, "screening mammogram" means a radiologic procedure that is provided to an asymptomatic woman for the purpose of early detection of breast cancer and that consists of 2 radiographic views per breast.

2. Required coverage. All individual and group nonprofit medical services plan contracts and all nonprofit health care plan contracts must provide coverage for screening mammograms performed by providers that meet the standards established by the Department of Human Services' rules relating to radiation protection. The policies must reimburse for screening mammograms performed:

A. At least once every 2 years for women between the ages of 40 and 49; and

B. At least once a year for women age 50 and over.

3. Application. This section applies to all contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after March 1, 1991. For purposes of this section, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.

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.

Sec. I-3. 24-A MRSA §2745-A is enacted to read:

§2745-A. Screening mammograms

1. Definition. For purposes of this section, "screening mammogram" means a radiologic procedure that is provided to an asymptomatic woman for the purpose of early detection of breast cancer and that consists of 2 radiographic views per breast.

2. Required coverage. All individual insurance policies, except those designed to cover specific diseases, hospital indemnity or accidental injury only, must provide coverage for screening mammograms performed by providers that meet the standards established by the Department of Human Services' rules relating to radiation protection. The policies must reimburse for screening mammograms performed:

A. At least once every 2 years for women between the ages of 40 and 49; and

B. At least once a year for women age 50 and over.

3. Application. This section applies to all policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after March 1, 1991. For purposes of this section, all policies and contracts are deemed to be renewed no later than the next yearly anniversary of the policy or contract date.

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 by Title 5, section 12004-I, subsection 50.

Sec. I-4. 24-A MRSA §2751, sub-§1, as enacted by PL 1989, c. 556, Pt. A, §5, is amended by amending the first paragraph to read:

1. Proposed mandatory health insurance benefits; impact assessment study. Whenever a legislative measure containing a mandated health benefit is proposed, the joint standing committee having jurisdiction over the proposal shall request that the Mandated Bene-

fits Advisory Commission, established by Title 5, section 12004-I, subsection 50, prepare and forward to the Governor and the Legislature, by a certain date, a study that assesses the social and financial effects and the medical efficacy of the proposed mandated benefit and a recommendation for legislative action on the proposal, based on the study. The study may be conducted by the commission or pursuant to a contract with the commission and ~~shall~~ must analyze information collected from a state data collection system, proponents of the new mandate, the Bureau of Insurance, health planning organizations and other appropriate data sources. For purposes of this section, a mandated health benefit proposal is one that mandates health insurance coverage for specific health services, specific diseases or for 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.

Sec. I-5. 24-A MRSA §2751, sub-§2, as enacted by PL 1989, c. 556, Pt. A, §5, is amended to read:

2. Studies of existing mandated benefits. ~~The joint standing committee of the Legislature having jurisdiction over insurance matters shall request that the Mandated Benefits Advisory Commission assess the social and financial effects and the medical efficacy of existing mandated benefits laws. The committee shall submit a schedule of assessments to the commission by February 1, 1990, setting forth the dates by which particular laws shall be assessed by the commission.~~ The Mandated Benefits Advisory Commission shall assess mandated benefits existing in law as of March 1, 1990 and shall report its findings and recommendations to the Governor and the joint standing committee of the Legislature having jurisdiction over insurance by June 1, 1991. The assessments ~~shall~~ must include information relative to the same issues as for an assessment of proposed mandates, except that the data to be included ~~shall~~ must be existing data on the actual effects of the mandate, rather than predictions of likely effects of the mandate. The report for each benefit must include an analysis of the social impact, financial impact and medical efficacy of each benefit relative to all other mandated benefits and a recommendation as to the relative desirability of the mandate compared to the other mandates.

Sec. I-6. 24-A MRSA §2837-A is enacted to read:

§2837-A. Screening mammograms

1. Definition. For purposes of this section, "screening mammogram" means a radiologic procedure that is provided to an asymptomatic woman for the purpose of early detection of breast cancer and that consists of 2 radiographic views per breast.

2. Required coverage. All group insurance policies must provide coverage for screening mammograms performed by providers that meet the standards established by the Department of Human Services relating to radiation protection. The policies must reimburse for screening mammograms performed:

A. At least once every 2 years for women between the ages of 40 and 49; and

B. At least once a year for women age 50 and over.

3. Application. This section applies to all policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after March 1, 1991. For purposes of this section, all policies and contracts are deemed to be renewed no later than the next yearly anniversary of the policy or contract date.

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.

Sec. I-7. Rules. The Superintendent of Insurance shall adopt rules, by February 1, 1991, requiring insurers and nonprofit service organizations to file information on the number of claims made for services required by this Act, the amount paid for those claims, and other information as the superintendent may by rule determine to be appropriate to assist in the future evaluation of the social and financial impact and the efficacy of the mandated benefit.

Sec. I-8. Allocation. The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

	1990-91
PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF	
Bureau of Insurance	
All Other	$20,000
Provides additional funds to allow the Mandated Benefits Advisory Commission to contract for assistance to complete the studies of existing mandated benefits by June 1, 1991.	

SENATE

[illegible] THERIAULT, DISTRICT 1
LINDA CURTIS BRAWN, DISTRICT 21

JANE ORBETON, LEGISLATIVE ANALYST
ALICE SCHLOSSER, COMMITTEE CLERK

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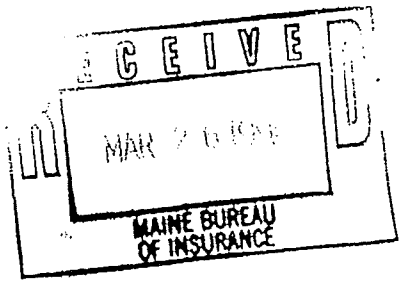

STATE OF MAINE
ONE HUNDRED AND FIFTEENTH LEGISLATURE
COMMITTEE ON BANKING AND INSURANCE

March 18, 1991

David R. Clough, Chairperson
Mandated Benefits Advisory Commission
c/o D. R. Clough Associates
5 Moulton Street
Portland, ME 04101

Dear Chairperson Clough:

As chairs of the Joint Standing Committee on Banking and Insurance we look forward to working with the Mandated Benefits Advisory Commission on the issue of mandated health insurance benefits.

In our work with the Banking and Insurance Committee to date we have encountered two issues that we wish to bring to your attention.

We are concerned that a legislative measure containing a mandated health benefit may be proposed which fails to receive support from any committee member. It would appear to be burdensome and unproductive to refer such a proposal to the Mandated Benefits Advisory Commission. It is, however, required by statute. We plan to address this issue through an after-deadline bill which exempts from referral to the commission proposals which fail to receive support from any committee member. We would be pleased to hear from you regarding no-support mandate bills and will let you know if permission to file an after-deadline bill is granted.

Our second issue is this session's bill on breast reconstruction surgery, LD 321. Enclosed is a copy of the committee amendment to the bill, which is being reported out of committee ought-to-pass as amended. You will notice that the committee chose to address the issue through the definition of

[illegible]tomy surgery and not as a mandate. The original LD is also enclosed and is referred to the Mandated Benefits Advisory Commission for review as required by 24-A MRSA §2751. Please present LD 321 to the commission for a report to the Governor and the Legislature by May 1, 1991. Thank you.

We look forward to a productive working relationship with the commission.

Sincerely,

Judy C. Kany

Sen. Judy C. Kany
Senate Chair

Elizabeth Mitchell

Rep. Elizabeth H. Mitchell
House Chair

2018GEA
Enclosures

115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document No. 321

H.P. 230 House of Representatives, February 5, 1991

Reference to the Committee on Banking and Insurance suggested and ordered printed.

Ed Pert

EDWIN H. PERT, Clerk

Presented by Representative PFEIFFER of Brunswick.
Cosponsored by Representative DORE of Auburn, Representative KETOVER of Portland and Representative LARRIVEE of Gorham.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Require Insurance Coverage for Reconstructive Breast Surgery for Women Who Have Had Mastectomies.

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

24-A §§2752 and 2846-A are enacted to read:

§2752. Reconstructive breast surgery

All individual health insurance policies, except those designed to cover only hospital indemnity or accidental injury, must provide coverage for reconstructive breast surgery for women who have had mastectomies.

§2846-A. Reconstructive breast surgery

All group health insurance policies must provide coverage for reconstructive breast surgery for women who have had mastectomies.

STATEMENT OF FACT

This bill requires that all individual health insurance policies, with the exception of policies for hospital indemnity or accidental injury, and all group health insurance policies provide coverage for reconstructive breast surgery for women who have had mastectomies.

APPENDIX B
Commission Membership

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Mandated Benefits Advisory Commission Members

MANDATED BENEFITS ADVISORY COMMISSION
MEMBERSHIP
APPOINTMENTS BY THE GOVERNOR

David Clough, chair D. R. Clough & Company P.O Box 4629 Portland, Maine 04112	Representing Small Business
Donald Devine, PhD Mid-Maine Medical Center Waterville, Maine 04901	Representing Licensed Substance Abuse Treatment
Richard Fortier Jr., MD 14 Golder Street Lewiston, Maine 04240	Physician
Gwen Gatcomb Old County Road Winthrop, Maine 04364	Representing Labor Organization
Jo Gill Employees' Health Insurance Program State House Station 114 Augusta, Maine 04333	Representing Health Insurance Consumers
Janice Hird 2211 Congress Street Portland, Maine 04101	Representing Commercial Health Insurance Company
Richard Leighton, vice chair High Head, Box 22 South Harpswell, Maine 04079	Representing Health Insurance Consumers
Henry Neilsen 622 Congress Street PO Box 4016 Portland, Maine 04101	Representing Licensed Mental Health Treatment Program
Roger Pomerleau 43 Bridge Street (PO Box 2068) Augusta, Maine 04330	Representing Major Trade and Industry & Business Trade Association
Sharon Roberts Blue Cross/Blue Shield 110 Free Street Portland, Maine 04101	Representing Nonprofit Hospital Or Medical Service Organization
Lynn M. Wood Director of Community Relations Eastern Maine Medical Center 489 State Street Bangor, Maine 04401	Representing Hospital Industry

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APPOINTMENTS BY THE LEGISLATURE

Rep. Phyllis Erwin 633 Washington Street Rumford, Maine 04276	Banking & Insurance Committee
Carol Harris Harris Drug Store Pritham Street Greenville, Maine 04441	Representing Health Insurance Consumers
David Lambert, PhD 195 Falmouth Street Portland, Maine 04103	Representing Public Health Professionals
Robert Lynch Jr. DC 1200 Broadway South Portland, Maine 04106	Chiropractor
Patrick McTeague McTeague, Higbee, Libner, Reitman MacAdam & Case Four Union Park PO Box 5000 Topsham, Maine 04086	Representing Labor Organizations
Rep. Stephen Simonds 18 Brentwood Road Cape Elizabeth, Maine 04107	Human Resources Committee
Norman Soucie 376 Essex Street Bangor, Maine 04401	Representing Health Insurance Consumers
Sen. Raynold Theriault 1 First Street Fort Kent, Maine 04743	Banking & Insurance Committee

MANDATED BENEFITS ADVISORY COMMISSION
MEMBERSHIP

Ex Officio

Richard Diamond
Bureau of Insurance
State House Station 34
Augusta, Maine 04333

Lani Graham, MD
Bureau of Health
State House Station 11
Augusta, Maine 04333

APPENDIX C
States with Mandate for Breast Reconstruction

States Which Mandate
Reconstructive Breast Surgery

STATE	YEAR MANDATE WENT INTO EFFECT
Arizona	1981
Arkansas	1978
California	1978
Delaware	1987
Illinois	1980
Michigan	1985
Minnesota	1980
Nevada	1983
New Jersey	1983
New York	1975
Washington	1985