

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION



BILL SUMMARY
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

JULY 1989

MEMBERS

Sen. Raynold Theriault *
Sen. Beverly Miner Bustin
Sen. Donald F. Collins

Rep. Charlene B. Rydell *
Rep. Phyllis R. Erwin
Rep. Richard H. C. Tracy
Rep. Carol M. Allen
Rep. Harriet A. Ketover
Rep. Ruth Joseph
Rep. Anne M. Rand
Rep. Philip E Curran
Rep. Joseph A. Garland
Rep. Harvey C. Donald

* Denotes Chair

Staff: Deborah C. Friedman, Legislative Analyst
Haven Whiteside, Legislative Analyst

Office of Policy & Legal Analysis
Room 101, State House Sta. 13
Augusta, ME 04333
(207) 289-1670

MARTHA E. FREEMAN, DIRECTOR
WILLIAM T. GLIDDEN, PRINCIPAL ANALYST
ULIE S. JONES, PRINCIPAL ANALYST
DAVID C. ELLIOTT, PRINCIPAL ANALYST
WILBERT W. BREWER
RODD R. BURROWES
MIRO FLATEBO
JEBORAH C. FRIEDMAN
JOHN B. KNOX



STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS
ROOM 101/107/135
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL: (207) 289-1670

ANNIKA E. LANE
EDWARD POTTER
MARGARET J. REINSCH
LARS H. RYDELL
JOHN R. SELSER
HAVEN WHITESIDE
CAROLYN J. CHICK, RES. ASST
ROBERT W. DUNN, RES. ASST
HARTLEY PALLESCHI, JR., RES. ASST

ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1989

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number for each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are abbreviated as follows:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Research Assistant Barbara McGinn, and secretaries: Charlene Brann, and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
RYDELL	OTP-AM	H-595
ALLEN		
GARLAND		
COLLINS		

SUMMARY

The bill excludes excess insurance of workers' compensation self-insurers from coverage under the Maine Insurance Guarantee Association, and requires the Maine Self-Insurance Guarantee Association to cover claims against those insurers. Excess workers compensation insurers were removed from the MIGA by LD 750, but were not placed under coverage by the MSIGA.

The committee amendment (H-595) strikes the entire bill and makes major revisions in the statute governing approval of workers compensation self-insurers. The amendment strengthens the requirements that must be met for an employer to self-insure, including requiring annual application for authority to self-insure or to continue to self-insure, requiring the superintendent to adopt rules setting forth deposit and excess insurance requirements, and requiring periodic actuarial evaluations to assure that the level of security is adequate. The amendment also defines and limits the types of securities and other items that may be used as security, including requiring that the deposit be held in trust, that deposits be held until all claims secured by them are satisfied, and that trust assets may not revert to the employer unless the superintendent is satisfied that assets exceed liabilities. An employer planning to terminate self-insurance must submit to the superintendent a plan of termination. Finally, the amendment strengthens the Maine Self Insurance Guarantee Association by raising the level of the preinsolvency assessment fund from \$1 million to \$2 million, and requiring all self-insurers to pay full assessments for the first 30 months of membership, including requiring a retroactive assessment of those who became members before the effective date of the bill but who did not pay for 30 months. The amendment also subjects self-insurers to assessment in the event of an insolvency for 36 months after they cease being members. Current law only subjects them to assessment for 12 months after they leave the MSIGA.

LD 643 An Act to Provide for the Social and Financial Assessment of Proposed Mandatory Health Insurance Benefits

LV/WD

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
GILL	LV/WD	
THERIAULT		
GARLAND		
STEVENS P		

SUMMARY

The bill would require the Mandated Benefits Advisory Commission to prepare a study assessing the financial and social impact of any legislative proposal to mandate coverage of a specific health service or provider as part of individual or group health insurance policies. The study would have to be prepared before any legislative committee could act on the proposal.

See LD 758. A modified version of LD 643 is contained in LD 758. That version directs joint standing committees having jurisdiction over mandated health insurance benefits to request an assessment of the proposal by the Mandated Benefits Advisory Commission. The assessment would include consideration of the financial and social effects of the proposal and the medical efficacy of the proposal.

The amendment also reforms the existing Mandated Benefits Advisory Commission to include representation of the entities currently on the commission, and to add representatives to be appointed by legislative leadership, including Legislators and representatives of consumers, labor organizations, chiropractors and public health professionals. An ex officio representative of the Bureau of Health is also added. The amendment adds to the duties of the commission by requiring the commission to perform studies of proposed mandated benefits when requested by committees, to study existing mandated benefits on a schedule to be determined by the Joint Standing Committee on Banking and Insurance and to perform studies of particular issues related to mandated benefits when requested by the Joint Standing Committee on Banking and Insurance.

**LD 644 An Act to Provide Coverage for Chiropractic Services Under
Hospital Service Plans, Medical Service Plans and Insurance
Policies**

PUBLIC 141

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
PRAY MARTIN J HIGGINS WEBSTER C	OTP	

SUMMARY

The bill repeals the January 1, 1990 sunset date on the statute requiring insurers to include coverage for therapeutic, adjustive and manipulative services in all individual and group health insurance contracts, and to reimburse for services provided by chiropractors to the same extent they reimburse for those services when provided by other practitioners, provided the service is within the lawful scope of practice of a licensed chiropractor.

**LD 651 Resolve, to Study the Impact of Expanding Licensure of
Additional Groups of Health Care Professionals on Health
Insurance Costs**

LV/WD

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
GILL RYDELL CURRAN THERIAULT	LV/WD	

SUMMARY

The resolve creates a study committee to examine the relationship between licensing of categories of health care professionals, mandates that payments to new groups of health care professionals be covered under private and public insurance programs, and the cost to the State under the Medicaid program and to purchasers of group and individual health insurance policies.