

MAINE STATE LEGISLATURE

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**STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION**



**BILL SUMMARY
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

JULY 1989

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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.

SPONSOR(S)

MARTIN J
MCHENRY
RYDELL
DUTREMBLE D

COMMITTEE REPORT

AMENDMENTS ADOPTED

H-578

SUMMARY

The bill creates a competitive state fund to provide workers' compensation insurance to employers. The fund would be administered by a 5-member board appointed by the governor, reviewed by the legislative committee with jurisdiction over business and insurance, and confirmed by the legislature. The board is authorized to issue revenue bonds and notes and refunding bonds and notes to establish the initial fund and to continue operations. The credit of the state would not be pledged to back the bonds. Rate setting by the fund would be subject to chapter 25 of Title 24-A (Rates & Rate Setting). The bill includes other administrative provisions for the fund.

The committee amendment (H-578) strikes the provisions creating a state fund and inserts a study of the feasibility of a quasi-governmental, nonprofit entity to provide workers' compensation insurance. The bill calls for a 9-member subcommittee of the Banking & Insurance Committee to study the issue, including examination of other states' funds, examination of the efficacy and appropriateness of such a fund for Maine, and determining the form of a fund if one is found to be desirable.

The study provision of the bill was included in a letter to the Legislative Council, which approved the study. At the request of the committee, the Legislative Council approved a carry over of LD 1320.

LD 1322 An Act to Improve Access to Health Care and Relieve Hospital Costs Due to Charity and Bad Debt Care Which are Currently Shifted to Third-party Payors

PUBLIC 588 EMERGENCY

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COMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

H-702 RYDELL

SUMMARY

The original bill established four programs recommended by the Special Select Commission on Access to Health Care, which are designed to increase access to health care and to relieve the burden on 3rd party payors of health care costs caused by bad debt and charity care provided in hospitals. The four programs are: the Maine Health Program, a state-supported health benefits plan for persons whose household income does not exceed 150% of the federal poverty level; a Community Health Program grant program to assist community-based health care providers in providing or improving access to primary and preventive health care; a subsidized excess insurance program, under which the state would subsidize the cost of health insurance coverage above \$25,000 per person per year up to \$100,000 for small employers who provide coverage to their employees; and the small employer health insurance tax credit under which employers of fewer than 10 employees would be eligible for a tax credit based on their expenditures for employee health insurance if the employer is providing health insurance for the first time.

The committee amendment (H-644) strikes the subsidized excess insurance program and the small employer tax credit, delays the starting date of the community health grants, and makes two changes in the Maine Health Program. The amendment adds one member to the Maine Health Program Council, which participates