

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
115TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

MAY 1992

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**ONE HUNDRED AND FIFTEENTH LEGISLATURE  
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE  
BILL SUMMARIES**

**MAY 1992**

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 volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action on each bill is listed to the far right of the title. Various types of final action are abbreviated as follows:

PUBLIC XXX	Chapter # of enacted Public Law
P&S XXX	Chapter # of enacted Private & Special Law
RESOLVE XXX	Chapter # of enacted Resolve
CON RES XXX	Chapter # of Constitutional Resolution passed by both Houses
EMERGENCY	Enacted law takes effect sooner than 90 days
CARRIED OVER	Bill carried over to Special Session
ONTP	Ought Not to Pass report accepted
LVWD	Leave to Withdraw report accepted
INDEF PP	Bill Indefinitely Postponed
FAILED EMERGENCY ENACTMENT	Emergency bill failed to get 2/3 vote
DIED BETWEEN BODIES	House and Senate disagree; bill died
CONF CMTE UNABLE TO AGREE	Committee of Conference formed but unable to agree
VETO SUSTAINED	Legislature filed to override Governor's Veto
UNSIGNED	Not signed by Governor within 10 days
DIED ON ADJOURNMENT	Action incomplete when session ended; bill died

These summaries were prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond and Valarie Parlin, especially Laurette Knox who coordinated preparation of the overall document.

If you have any suggestions or comments on these summaries, please let us know.

**LD 626**

**An Act to Require Insurers to Provide Insurance Coverage for Newborn Hospital Care**

ONTP

**SPONSOR(S)**  
CAHILL P

**COMMITTEE REPORT**  
ONTP

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill requires health insurers to pay 100% of the costs of inpatient hospital care and attending physician costs for newly born children.

**LD 701**

**An Act to Provide More Affordable Health Insurance for Small Businesses and Community Rating of Health Insurance Providers**

PUBLIC 861

**SPONSOR(S)**  
RYDELL  
BUSTIN  
KETOVER  
MARTIN J

**COMMITTEE REPORT**  
OTP-AM MAJ  
OTP-AM

**AMENDMENTS ADOPTED**  
H-1007 MAJ REP  
S-774 BRANNIGAN

**SUMMARY**

This bill requires that insurers that offer group health insurance to groups of fewer than 25 members, excluding the number of dependents, and to individuals seeking coverage in connection with self-employment use community rating in their rate-setting process. When using community rating, the insurer may not vary the rate at which coverage is offered due to age, gender, family status, occupation, industry, health status or claims experience. In addition, these insurers must offer coverage and guarantee renewal to all such groups and self-employed individuals. Nonprofit medical service organizations are subject to the same requirements by operation of the Maine Revised Statutes, Title 24 section 2327.

Committee Amendment "A", H-1007, is the majority report of the Joint Standing Committee on Banking and Insurance and it accomplishes the following:

1. It makes the rating sections applicable to nonprofit hospital and medical service corporations and to nonprofit health care plans.
2. It amends tier rating so that rating on claims experience of groups and subgroups may occur only until January 1, 1993.
3. With respect to health plans issued to employer-based groups of fewer than 25 people and the self-employed, it enacts community rating on a gradual schedule, using a band that extends from 33% down to 0 by July 1, 1996. It forbids rating based upon health status, claims experience or duration of the policy of the group. It allows rating without limitation based upon group size, smoking status, family status and participation in wellness programs.
4. It requires guaranteed issuance and guaranteed renewal of small group health plans, with exceptions for nonpayment, fraud and going out of business.
5. It applies these provisions to health maintenance organizations but does not require the issuance or renewal of health maintenance organization coverage to groups outside the health maintenance organization's approved service area.