

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
115TH LEGISLATURE**

**FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
LABOR**

**AUGUST 1991**

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**ONE HUNDRED AND FIFTEENTH LEGISLATURE  
FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION  
JOINT STANDING COMMITTEE  
BILL SUMMARIES  
AUGUST 1991**

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 right of the title. Various types of final action are abbreviated as follows:

<b>PUBLIC XXX</b>	<i>Chapter # of enacted Public Law</i>
<b>P&amp;S XXX</b>	<i>Chapter # of enacted Private &amp; Special Law</i>
<b>RESOLVE XXX</b>	<i>Chapter # of enacted Resolve</i>
<b>CON RES XXX</b>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<b>EMERGENCY</b>	<i>Enacted law takes effect sooner than 90 days</i>
<b>CARRIED OVER</b>	<i>Bill carried over to 2nd Session</i>
<b>FAILED EMERGENCY ENACTMENT</b>	<i>Bill failed to get 2/3 vote</i>
<b>ONTP</b>	<i>Ought Not to Pass report accepted</i>
<b>LVWD</b>	<i>Leave to Withdraw report accepted</i>
<b>INDEF PP</b>	<i>Bill Indefinitely Postponed</i>
<b>DIED BETWEEN BODIES</b>	<i>House &amp; Senate disagree; bill died</i>
<b>VETO SUSTAINED</b>	<i>Legislature failed to override Governor's Veto</i>
<b>UNSIGNED</b>	<i>Not signed by Governor within 10 days</i>
<b>DIED ON ADJOURNMENT</b>	<i>Action incomplete when 1st session ended</i>

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, and especially Laurette Knox who coordinated preparation of the overall document.

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

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
FARNSWORTH MELENDY		

**SUMMARY**

This bill required that every train be staffed by at least 2 persons who are able to operate the train.

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
	OTP MAJ	H-696 MITCHELL E
	OTP-AM MIN	H-697 ERWIN

**SUMMARY**

This bill represented the majority report of the Joint Standing Committee on Banking and Insurance and the Joint Standing Committee on Labor on workers' compensation reform and made changes to the workers' compensation system as follows. It created the Maine Employer's Mutual Insurance Fund. It strengthened the criteria for the review of lump sum settlements. It allowed the predetermination of independent contractor status. It eliminated the ability of loggers and certain construction workers to be independent contractors. It excluded fringe benefits from the wage calculation. It repealed the statewide work capacity limitation. It increased interest and penalties on awards. It eliminated the compensability of certain subsequent injuries. It created a medical utilization review system. It required health care providers to submit initial medical reports within 5 days. It established an Office of Medical Coordination. It required insurers to offer medical expense deductibles. It allowed for 24-hour coverage pilot projects. It limited health care reimbursement and required providers to complete an occupational health program. It allowed self-insured employers to secure their obligations through funding at a 90% confidence level, or through letters of credit.

It required certain employers to complete a workplace health and safety plan and required insurers to offers workplace safety consultations. It made several changes in the rehabilitation system to ensure speedier and less costly rehabilitation. It made claims information confidential. It expanded employee's reinstatement rights. It required adjusters to have authority to settle cases at informal conferences. It limited the ability of insurers to use private investigators. It required notice to employers of settlements and allowed employers to appeal the settlement for use in premium calculations. It required the Superintendent of Insurance to create rules to reduce the residual market, and to reward safe employers.

It made procedural changes as follows: allowed payments without prejudice, encouraged parties to reach provisional agreements for payments, created an expedited process for certain claims, allowed automatic discontinuances under certain circumstances, created an automatic trial work period, created an apportionment system, and replaced the maximum medical improvement standard with a cap of 520 weeks.

House Amendment "B" (H-696) made a number of substantive changes to the bill including: mandated that the Superintendent of Insurance adopt rules to establish dividend plans and premium credits; required the adoption of a Minnesota medical form; clarified that 2 providers from the same field and 1 provider from another field be appointed to the medical utilization panel; clarified that a commute of more than 100 miles may be reasonable if an employee customarily commuted this far pre-injury; extended from 44 days to 75 days the time period for filing a notice of controversy; clarified that benefits may be restored during a trial work period for a termination/suspension, only if it is without good cause; and clarified that liability be apportioned pro rata between insurers based on the number of insurers.

House Amendment "C" (H-697) deleted the requirement that the Superintendent of Insurance adopt rules establishing an equipment allowance for loggers, deleted worksite coverage posting, and imposed a retroactive freeze on compensation rates.

**LD 1972 An Act to Reform the Maine Workers' Compensation System**

**DIED ON  
ADJOURNMENT**

**SPONSOR(S)**  
COLLINS  
BALDACCI

**COMMITTEE REPORT**

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill contained the following changes to the workers' compensation system. It limited lump sum settlements. It required notice to employers of settlements and allowed an appeal to limit the impact of the settlement on an employer's experience rating. It placed a cap on attorneys' fees. It excluded fringe benefits from the wage calculation. It limited physician choice and testing. It established an independent medical system to resolve medical disputes, and an appeal procedure. It changed the statute of limitations from 10 years to 6 years. It offset incapacity benefits against permanent impairment benefits. It increased penalties and interest for late payment of benefits. It established an arbitration procedure for insurer apportionment. It eliminated the need for medical releases. It required health care providers to submit initial medical reports within 5 days, and every 30 days thereafter. It limited health care reimbursement. It required adjusters to have authority to settle cases at the informal conference. It clarified which injuries are compensable under the Act. It modified funding requirements for self-insurers. It moved rulemaking authority under the Workers' Compensation Act to the Commissioner of Labor. It transferred appellate jurisdiction from the Appellate Division to the Administrative Court. It made the following procedural changes: eliminated notice of injury for medical only claims, replaced the maximum medical improvement concept with a 430 week cap on benefits, expanded the statewide work provisions, permitted automatic discontinuances in certain cases, extended the 44-day rule to 75 days, and allowed payments without prejudice.

**LD 1981 An Act to Make Changes in the Workers' Compensation System  
(Reported by the Majority from the Committees on Labor and  
Banking and Insurance pursuant to HP 1382)**

**PUBLIC 615**

**SPONSOR(S)**

**COMMITTEE REPORT**

**AMENDMENTS ADOPTED**

H-766 MAJ REP  
H-768 MCKEEN  
H-769 MICHAUD  
H-770 MITCHELL E  
H-774 MITCHELL E

**SUMMARY**

This bill made the following changes in workers' compensation law. It established a medical coordinator and a system of independent medical examiners. It capped attorneys' fees in lump sum settlements. It formalized the procedures for filing medical reports and specified the penalties for failure to file in a timely fashion. In permanent partial incapacity cases, it substituted 520 weeks of benefits for 400 weeks after maximum medical improvement. It allocated money for workplace health and safety training. Rulemaking is provided regarding the duties of insurance adjusters, credits for qualifying safety programs dividends in the safety pool and credits for expanding the percentage of business in the voluntary market. It required that medical expense deductibles be offered to smaller employers and made mandatory for larger employers.