

MAINE STATE LEGISLATURE

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STATE OF MAINE
116TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

JULY 1993

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE
FIRST REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

JULY 1993

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.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. 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:

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

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

4693NRG

**An Act to Implement the Recommendations of the Joint Select
Committee to Study the Feasibility of a Statewide Health
Insurance Program****SPONSOR(S)****COMMITTEE REPORT****AMENDMENTS ADOPTED**

ONTP

SUMMARY

This bill proposes the following.

1. Part A allows groups to purchase health insurance and subjects those groups to the community rating law, Public Law 1991, chapter 861. It allows municipalities to assist residents in the purchase of health insurance.
2. Part B expands the community rating law, Public Law 1991, chapter 861, by making it applicable to individual policies and to employee groups of fewer than 50 employees and by prohibiting gender based rating.
3. Part C requires the Bureau of Insurance to collect insurance data that distinguishes health policies from other policies, policies sold to people age 65 and older, disability policies from other policies, policies offering primary care case management from other policies, individual policies from group policies and Maine data from national data.
4. Part D applies the continuity law, the Maine Revised Statutes, Title 24-A, chapter 36, to persons moving from group to individual policies, to persons who are leaving their jobs with self-insured employers for new jobs, thus changing from the health plan of the self-insured employers to group or individual insurance policies and Part D also applies the continuity law to persons moving from individual or group policies to self-insured employers with health plans that utilize reinsurance policies.
5. Part E requires health care providers to post in their offices the charges for medical services provided in the office. Part E prohibits a physician, who has an ownership or investment interest in a diagnostic laboratory or facility, clinical laboratory, physical therapy center or comprehensive rehabilitation center located outside the office of the physician, from referring patients to the laboratory, facility or center. It allows health care providers to join together to negotiate the reimbursement rate for Medicaid services.
6. Part F expands the certificate of need requirements to physicians' offices acquiring equipment of \$1,000,000 or more.
7. Part G amends the law that currently prohibits funds from being transmitted electronically to providers.
8. Part H authorizes the Board of Registration in Medicine and the Board of Osteopathic Examination and Registration to expand work on practice parameters, approving them and adopting them as rules. The new parameters and protocols are subject to the medical liability demonstration project.
9. Part I removes "underserved specialty" as eligible service and reemphasizes primary care in underserved areas in the Health Professions Loan Program.
10. Part J allows the licensing of foreign trained dentists by the Board of Dental Examiners.

11. Part K establishes the Department of Health.
12. Part L establishes the Commission on the Establishment of the Department of Health to plan for the new agency.
13. Part M-1 directs the Bureau of Insurance to study the feasibility of a regulatory scheme for Multiple Employer Welfare Arrangements, MEWA's, that are not fully insured and to submit its report, along with implementing legislation, to the Joint Standing Committee on Banking and Insurance by March 1, 1993.
14. Part M-2 directs the Bureau of Insurance and the Department of Labor to submit a report to the Joint Standing Committee on Banking and Insurance by March 1, 1993, on the question of making the preexisting condition exclusion period run for at least 3 months and up to the period of a person's eligibility for unemployment compensation.
15. Part M-3 directs the Department of Human Services to amend the state Medicaid plan to include children and pregnant women who are not receiving cash assistance on a sliding fee scale up to 285% of the federal poverty level.
16. Part M-4 directs the Superintendent of Insurance to work cooperatively with the Federal Government and other states toward the development of standardized billing forms, instructions and procedures for the completion of the forms.
17. Part M-5 directs the Department of Human Services and the Bureau of Insurance to examine barriers to increasing the rate of standardized electronic billing in the Medicaid, Maine Health Program and other programs administered by the Bureau of Medical Services.
18. Part M-6 directs the Superintendent of Insurance to examine Maine's current rate-setting procedures for medical malpractice insurance and to report to the Joint Standing Committee on Banking and Insurance by March 1, 1993.
19. Part M-7 directs the Superintendent of Insurance to review Vermont's medical malpractice arbitration system and Maine's medical malpractice screening panels and propose a nonadversarial dispute resolution system for addressing smaller claims. The proposal must be developed in consultation with all interested parties, including, but not limited to, consumers, trial attorneys and physicians. A report to the Joint Standing Committee on Banking and Insurance is due March 1, 1993, containing the review and legislation. A preliminary report is due as soon as possible.
20. Part N-1 establishes a Special Committee to Study Health Care Professions, comprised of 6 legislators and 3 members of the public to study the allocation of human and financial resources in health care. The committee is charged with completing its study and reporting back to the Joint Standing Committee on Banking and Insurance on January 1, 1994.
21. Part O-1 directs the Bureau of Insurance, in cooperation with the Bureau of Taxation, to put together information on the federal health insurance earned income tax credit for distribution to consumers.
22. Part O-2 directs the Department of Human Services to report by March 1, 1993 to the Joint Standing Committee on Banking and Insurance on the options for unifying the administration of all health insurance programs that are publicly funded or publicly administered.
23. Part O-3 directs the Department of Human Services to report by March 1, 1993 to the Joint Standing Committee on Banking and Insurance on single point of entry and eligibility determinations utilizing the FAMIS computer system.

24. Part 0-4 directs the Bureau of Insurance to report to the Joint Standing Committee on Banking and Insurance on or before January 1, 1994 on the feasibility of combining the medical portion of automobile insurance and health insurance.

**LD 183 An Act to Reenact the Laws Governing Equitable Insurance
Coverage for Mental Illness**

PUBLIC 441

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
DORE	OTP-AM MAJ	S-377 PEARSON
CLEVELAND	ONTP MIN	

SUMMARY

This bill repeals the repeal date on the laws governing equitable insurance coverage for mental illness.

Senate Amendment "E" (S-377) changes the approach of the bill completely. It removes the emergency clause so that the law enacted in 1992 to come in to effect in 1993 sunsets on July 1 without becoming effective. It replaces the 1992-93 law with mandatory minimum mental illness benefits which apply to small employee groups of between 13 and 19 members.

**LD 186 An Act to Retain the Federal Demonstration Grant Funding
the Maine Health Program**

INDEF PP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
RYDELL	OTP-AM	H-124
BUSTIN		

SUMMARY

This bill permits the Maine Health Program to continue and therefore to receive federal demonstration grant funding.

Committee Amendment "A" (H-124), the majority report of the committee, adds appropriation and allocation sections.

Bill indefinitely postponed. See LD 283, the budget, re: Maine Health Program, Part FFF.

**LD 194 An Act Requiring Disclosure of Coinsurance Provisions on
Insurance Policies or Contracts**

ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
HANLEY	ONTP	

SUMMARY

This bill requires all insurance policies and contracts to state on the face of the policies or contracts the coinsurance obligations of the policyholder or contract holder. It requires them to define coinsurance and to provide an example of the impact of the coinsurance provision.