

MAINE STATE LEGISLATURE

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STATE OF MAINE
117TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

AUGUST 1995

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

**SUMMARY OF LEGISLATION BEFORE
THE JOINT STANDING COMMITTEES**

AUGUST 1995

This document is a compilation of the bill summaries prepared by this office for the Joint Standing 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 publication, History and Final Disposition of Legislative Documents, is helpful in determining to which committee any particular bill was referred.

In this document, 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, together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various categories of final action are abbreviated as follows:

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

These summaries were prepared by the analyst or analysts assigned to the committee. If more detailed information is needed on a bill, contact the committee analyst.

5581LHS

SUMMARY

This bill requires the Superintendent of Banking to consider impact on tax revenues prior to authorizing a credit union to expand its field of membership. If the expansion is likely to reduce assets or future growth of assets in competing, tax-paying financial institutions, then the superintendent shall weigh that tax loss in comparison to possible benefits of the credit union expansion.

COMMITTEE AMENDMENT "A" (H-132) is the minority report of the committee and adds a fiscal note. Committee Amendment "A" was not adopted.

LD 621 **An Act Regarding Checks Issued by Insurance Companies to Cover Losses** ONTP

SPONSOR(S) **COMMITTEE REPORT** **AMENDMENTS ADOPTED**
DIPIETRO ONTP

SUMMARY

This bill requires that all insurance payments for losses described in the Maine Revised Statutes, Title 24-A, chapter 41 be made to the insured. It limits the right of a mortgagee to receive a payment, in whole or in part, unless the mortgagor gives written permission or the building is not occupied by the insured.

LD 669 **An Act Authorizing a Bond Issue in the Amount of \$10,000,000 to Capitalize the Competitive Workers' Compensation Fund** ONTP

SPONSOR(S) **COMMITTEE REPORT** **AMENDMENTS ADOPTED**
TUTTLE ONTP

SUMMARY

The funds provided by this bond issue, in the amount of \$10,000,000, will be used for the initial capitalization and administrative expenses of the proposed Competitive Workers' Compensation Fund. This bill is part of a package to create a Competitive Workers' Compensation Fund for workers' compensation that includes a bill to establish the fund and a resolution proposing an amendment to the Constitution of Maine to safeguard the assets of the fund. The funds raised through this bond issue will be used to capitalize the Competitive Workers' Compensation Fund and will be repaid to the State as provided in the bill establishing the fund.

See LD 302 and LD 307.

LD 690 **An Act to Provide Family Security through Quality, Affordable Health Care** CARRIED OVER

SPONSOR(S) **COMMITTEE REPORT** **AMENDMENTS ADOPTED**
MARTIN

SUMMARY

This bill establishes a universal access health care system that offers choice of coverage through organized delivery systems or through a managed care system operated by the Maine Health Care Agency and channels all health care dollars through a dedicated trust fund. It reorganizes State Government as required for the delivery of a unified health care system.

1. Part A of the bill does the following:

It establishes the Maine Health Care Plan to provide family security through quality, affordable health care for the people of the State. All residents and nonresidents who maintain significant contacts with the State are eligible for covered health care services through the Maine Health Care Plan. The plan is funded by the Maine Health Care Trust Fund, a dedicated fund receiving payments from employers, individuals, plan members and, after fiscal year 1997, from the 5¢ per package increase in the cigarette tax. The Maine Health Care Plan provides a range of benefits, including hospital services, health care services from participating providers, laboratories and imaging procedures, home health services, rehabilitative services, prescription drugs and devices, mental health services, substance abuse treatment services, dental services, vision appliances, medical supplies and equipment and hospice care. Health care services through the Maine Health Care Plan are provided by participating providers in organized delivery systems and through the open plan, which is available to all providers. The plan is supplemental to other health care programs that may be available to plan members, such as Medicare, Medicaid, the federal Civilian Health and Medical Program of the Uniformed Services, the federal Indian Health Care Improvement Act and workers' compensation.

It establishes the Maine Health Care Agency to administer and oversee the Maine Health Care Plan, to act under the direction of the Maine Health Care Council and to administer and oversee the Maine Health Care Trust Fund. The Maine Health Care Council is the decision-making and directing council for the agency and is composed of 3 full-time appointees.

It directs the Maine Health Care Agency to establish programs to ensure quality, affordability, efficiency of care and health planning. The agency health planning program includes the establishment of global budgets for health care expenditures for the State and for institutions and hospitals. The health planning program also encompasses the certificate of need responsibilities of the agency, the health planning responsibilities pursuant to the Maine Revised Statutes, Title 22, chapter 103, data collection and the hospital financing system pursuant to Title 22, chapter 107.

It contains a directive to the State Controller to advance \$400,000 to the Maine Health Care Trust Fund on the effective date of that Part. This amount must be repaid from the fund by June 30, 1997.

It contains the effective date of the Part, January 1, 1996.

2. Part B of the bill establishes the Maine Health Care Plan Transition Advisory Committee. Composed of 20 members, appointed and subject to confirmation, the committee is charged with holding public hearings, soliciting public comments and advising the Maine Health Care Agency on the transition from the current health care system to the Maine Health Care Plan. Members of the committee serve without compensation but may be reimbursed for their expenses. The committee is directed to report to the Governor and to the Legislature on July 1, 1996, January 1, 1997, July 1, 1997 and December 31, 1997. The committee completes its work on December 31, 1997.
3. Part C of the bill transfers the certificate of need and related health planning programs from the Department of Human Services to the Maine Health Care Agency as of July 1, 1996. Authority to make certificate of need decisions is transferred from the department to the agency. The Office of Health Planning and Development is abolished and its staff, resources and responsibilities are transferred to the agency. This Part changes the Hospital Development Account into the Certificate of Need Development Account.

4. Part D of the bill consolidates the staff, powers and responsibilities of the Maine Health Care Finance Commission into the newly created Maine Health Care Agency as of January 1, 1997. On that date, the commission is abolished and the Maine Health Care Agency and Maine Health Care Council assume all of the former commission's powers and duties. The hospital assessment formerly collected to fund the commission is abolished.
5. Part E of the bill establishes the salaries of the members of the Maine Health Care Council and the executive director of the Maine Health Care Agency.
6. Part F of the bill prohibits the sale on the commercial market of health insurance policies and contracts that duplicate the coverage provided by the Maine Health Care Plan. It allows the sale of health care policies and contracts that do not duplicate and are supplemental to the coverage of the Maine Health Care Plan.
7. Part G of the bill imposes a 5¢ per package increase in the cigarette tax beginning December 1, 1995. Proceeds from the cigarette tax increase are paid to the Maine Health Care Trust Fund.
8. Part H of the bill directs the Maine Health Care Agency to ensure employment retraining for administrative workers employed by insurers and providers who are displaced by the transition to the Maine Health Care Plan. It directs the Maine Health Care Agency to study the delivery and financing of long-term care services to plan members. Consultation is required with the Maine Health Care Plan Transition Advisory Committee, representatives of consumers and potential consumers of long-term care services and representatives of providers of long-term care services, employers, employees and the public. A report to the Legislature is due January 1, 1998.

The Maine Health Care Agency is directed to study the provision of health care services under the Medicaid and Medicare programs, waivers, coordination of benefit delivery and compensation, reorganization of State Government necessary to accomplish the objectives of the Maine Health Care Agency and legislation needed to carry out the purposes of the bill. The agency is directed to apply for all waivers required to coordinate the benefits of the Maine Health Care Plan and the Medicaid and Medicare programs. A report is due to the Legislature by March 1, 1997.

9. Part I of the bill declares the Legislature's intent to abolish the Bureau of Health and the Bureau of Medical Services and to transfer their powers, responsibilities, programs, staff and resources to the Maine Health Care Agency by January 1, 1997. The agency is directed to work with the Commissioner of Human Services to prepare all necessary legislation and submit it to the Legislature by December 1, 1996.

**LD 724 An Act Regarding the Disclosure of Financial Information
by Federally or State-chartered Credit Unions**

PUBLIC 86

SPONSOR(S)

RAND

COMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

S-53

SUMMARY

This bill clarifies that a disclosure of records made under the Maine Revised Statutes, Title 22, section 4314 does not violate the State's requirements with respect to confidential financial records and also clarifies that federally and state-chartered credit unions are required to comply with the provisions of the disclosure laws.

COMMITTEE AMENDMENT "A" (S-53) adds a fiscal note to the bill.