

MAINE STATE LEGISLATURE

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STATE OF MAINE
117TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

JUNE 1996

MEMBERS:

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Sen. Mary E. Small

Sen. Dale McCormick

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Rep. Arthur F. Mayo III

Staff:

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**ONE HUNDRED SEVENTEENTH LEGISLATURE
SECOND REGULAR SESSION**

***Summary Of Legislation Before The Joint Standing Committees
June 1996***

We are pleased to provide this summary of bills that were considered by the 15 Joint Standing Committees of the Maine Legislature staffed by this office. The document is a compilation of bill summaries which describe each bill, committee amendments and other relevant amendments, as well as the final action taken on the bill. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized alphabetically by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills.

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

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

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is July 4, 1996.

LD 183 **An Act to Clarify Fresh Start Charges under the Workers' Compensation Laws** ONTP

Sponsor(s)
PLOWMAN

Committee Report
ONTP

Amendments Adopted

LD 183 was carried over from the First Regular Session and proposed to limit the amount of the workers' compensation insurance Fresh Start surcharge for employers who were not in business in the year of any deficit to 2% of their premium or imputed premium in the year that the surcharge is ordered.

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

Sponsor(s)
MARTIN

Committee Report
ONTP

Amendments Adopted

LD 690 was carried over from the First Regular Session and proposed to establish 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 proposed to do 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 proposed to establish 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 proposed to transfer 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 proposed to consolidate 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 proposed to establish 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 proposed to prohibit 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 proposed to impose 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 proposed to direct 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 declared 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.

See related bills LD 1798 and LD 1803.

LD 752 An Act to Include Obstetricians and Gynecologists as ONTP
Primary Care Providers

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	ONTP	

LD 752 was carried over from the First Regular Session and proposed to make identical changes in the requirements for individual health insurance, group health insurance and health care coverage provided by nonprofit hospital and medical service organizations and health maintenance organizations. All requirements proposed to take effect on January 1, 1996. The requirements included the following.

1. Plans that designate physicians as primary care providers must designate physicians providing gynecological and obstetrical services as primary care providers.
2. Coverage must be provided for semiannual gynecological examinations and gynecological and obstetrical services required as a result of those exams or as a result of an acute health care condition and pregnancy.
3. Written notice of gynecological and obstetrical service coverage must be provided.

See related bills LD 1079 and LD 1385.

LD 841 An Act to Amend the Approval Requirements for Medicare ONTP
Supplement Insurance Policies

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CARPENTER LORD	ONTP	

LD 841 was carried over from the First Regular Session. Due to standardization of Medicare supplement policies and community rating reform legislation, annual review and approval of Medicare supplement rates is no longer necessary. As long as no rate increase is requested and the rates meet minimum loss ratio standards, this bill proposed to require filing every year for informational purposes.

See related bill LD 1513.