

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:

<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 enacted 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>

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

5. It makes technical changes to the Maine Revised Statutes, Title 24-A, chapter 56, Health Maintenance Organizations, to clarify the application of other provisions of the Maine Insurance Code to health maintenance organizations.
6. It adds health maintenance organizations to the list of those licenses exempted from the requirement that they register as a preferred provider organization.
7. It requires the Bureau of Insurance to report by January 1, 1996 on alternatives for clarifying the guaranteed issuance requirement for small group health plans under Title 24-A, section 2808-B.

It also adds a fiscal note to the bill.

HOUSE AMENDMENT "A" (H-470) to COMMITTEE AMENDMENT "A", presented on behalf of the Committee on Bills in the Second Reading, corrects an incorrect history and prevents a conflict by incorporating changes made to the Maine Revised Statutes, Title 24, section 2330, subsection 1-A and section 2349, subsection 3 and Title 24-A, section 2849-B, subsection 3 in Public Law 1995, chapters 77 and 189.

LD 1430 An Act to Create a New Deductible for Workers' Compensation ONTP
and to Clarify Reporting Requirements

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
WINN	ONTP	

SUMMARY

This bill creates optional workers' compensation deductibles for combined indemnity and medical benefits in amounts of \$1,000, \$3,000 and \$6,000 per claim. The bill also specifies that any claims paid by the insured within the amount of the deductible must be reported to the Workers' Compensation Board. Claims within the amount of the deductible paid by the insured must be excluded from experience rating.

LD 1432 An Act to Amend the Laws Regarding Workers' Compensation PUBLIC 277
Pilot Projects

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
MITCHELL EH	OTP-AM	H-362

SUMMARY

This bill amends the law concerning pilot projects in workers' compensation. Medical and indemnity benefits for employees must be substantially similar to those conferred by Title 39-A. Indemnity benefits may be modified only if the pilot project provides medical and disability benefits for all workplace and nonworkplace diseases and injuries. It requires that the premium for benefits conferred under Title 39-A must be paid entirely by the employer. The premium for other benefits may be paid by the employer, employee or the employer and employee together. It changes the repeal date from October 1, 1996 to October 1, 2001.

COMMITTEE AMENDMENT "A" (H-362) authorizes the Superintendent of Insurance to approve pilot projects in workers' compensation that offer both medical and indemnity benefits to employees. The medical and indemnity benefits offered to employees must be equal to or greater than the benefits conferred by the Maine Revised Statutes, Title 39-A. Indemnity benefits may be modified only if the pilot project provides medical and disability benefits for all workplace and nonworkplace diseases and injuries.

The amendment requires that the premium for benefits conferred under Title 39-A must be paid entirely by the employer. The premium for other benefits may be paid by the employer, the employee or the employer and employee together.

The amendment also requires pilot project proposals to contain a methodology for comparing the costs and benefits of the pilot project to the costs and benefits provided to employees under Title 39-A.

The amendment changes the repeal date to reflect Public Law 1995, chapter 36 and adds a fiscal note.

**LD 1470 An Act to Authorize Participation by the Public Advocate in
a Regulatory Proceeding Concerning the Residual Market
Mechanism for Workers' Compensation**

INDEF PP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
CARPENTER	OTP-AM MAJ	
TAYLOR	ONTP MIN	

SUMMARY

A decision in October 1994 in Superior Court has remanded to the Bureau of Insurance certain issues affecting the responsibility of insurance carriers for deficits in the State's residual market for workers' compensation in 1992. This decision has been appealed to the Law Court along with similar decisions for policy years 1993 and 1994. As an active participant in the original proceeding, the Public Advocate is obligated to represent the interests of affected policyholders in a remand proceeding but has no funding mechanism to cover the costs of participating in this case. This bill provides funding for the Public Advocate's participation in the remand proceeding in the form of an assessment on workers' compensation providers.

COMMITTEE AMENDMENT "A" (S-217) is the majority report and changes the assessment and allocation from \$50,000 to \$30,000 in the bill. The amendment also adds a fiscal note to the bill. Committee Amendment "A" was not adopted.

Bill indefinitely postponed; see LD 1578.

LD 1475 An Act to Promote Efficiency by Health Insurers of Maine

ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
PINGREE	ONTP	

SUMMARY

This bill promotes administrative efficiency in the payment of health care services by health insurers. This bill returns more premium dollars in direct health care services to the policyholders and limits insurer administrative inefficiencies. It extends current protections afforded individual, disease and Medicare supplemental insurance policies to all group plans. It returns 90% of premium dollars in direct health service payments to policyholders under all lines of health insurance. The bill also directs the Superintendent of Insurance to establish a methodology for calculating the direct service ratio to standardize the calculation by all insurers covered under the Maine Revised Statutes, Titles 24 and 24-A.