

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. Dale McCormick

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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.

Committee Amendment "A" (S-472) proposed to require that licensed physicians, licensed psychologists, accredited public or psychiatric hospitals or community agencies licensed at the comprehensive service level be reimbursed for the treatment and diagnosis of biologically based mental illnesses under the same terms and conditions provided for medical treatment of physical illnesses.

This amendment also proposed to add a fiscal note to the bill and removes the emergency preamble and the emergency clause from the bill. Committee Amendment "A" was not adopted.

Committee Amendment "B" (S-473) is the minority report and proposed to amend the diagnostic language of the statutory provisions governing insurance coverage for biologically based mental illnesses to allow the diagnosis and treatment of these illnesses by a licensed provider acting within the scope of the provider's licensure. This amendment also proposed to remove the emergency preamble and the emergency clause and add a fiscal note to the bill.

House Amendment "A" To Committee Amendment "B" (H-879) proposed to retain the language of the original bill by removing the substantive provisions made by Committee Amendment "B" but retaining the language striking the emergency preamble and emergency clause.

Senate Amendment "A" To Committee Amendment "A" (S-530) proposed to clarify that the diagnosis and treatment of biologically-based mental illness may be performed by licensed providers, including licensed clinical social workers and clinical nurse specialists, if the provider is acting within the scope of the provider's licensure and also clarifies that payment and reimbursement for these services continues at its current level. Senate Amendment "A" was not adopted.

Enacted law summary

Public Law 1995, chapter 637 expands the diagnostic language of the statutory provisions governing insurance coverage for biologically-based mental illness to include the diagnoses made by licensed psychologists as well as licensed allopathic and osteopathic physicians.

LD 1643

An Act to Clarify Certain Provisions Relating to Workers' Compensation Self-insurance

PUBLIC 619
EMERGENCY

Sponsor(s)
ABROMSON

Committee Report
OTP-AM MAJ
ONTP MIN

Amendments Adopted
S-493

LD 1643 proposed to clarify the definition of "successor self-insured employer" for the purposes of determining the applicable surcharge for the fresh start period. The surcharge of successor entities to self-insured employers is calculated by using a formula based on whether the predecessor self-insured company has any fresh start liability and the payroll of the predecessor self-insured company and the other entity that combine to form the successor entity. The bill also proposed to give self-insured employers the ability to appeal a surcharge billing to the Superintendent of Insurance for a determination whether the billing is consistent with the definition of "successor self-insured employer" or whether there was a factual inaccuracy in the information underlying a surcharge issued by the governing board of the Maine Workers' Compensation Residual Market Pool.

The bill would have applied retroactively to June 23, 1995.

Committee Amendment "A" (S-493) replaced the bill and proposed to clarify the definition of "successor self-insured employer" for the purpose of determining the applicable surcharge for the fresh start period. The surcharge of successor self-insured employers is calculated by using a formula based on whether the employer or employers combining to form the successor entity had any fresh start liability and the surchargeable premium of each employer. The amendment also proposed to give self-insured employers the ability to appeal a surcharge billing to the governing board of the Workers' Compensation Residual Market Pool for a determination as to whether the billing is consistent with the Maine Revised Statutes, Title 24-A, section 2393 or whether there was a factual inaccuracy in the information underlying a surcharge issued by the board.

The amendment would have added a retroactivity provision for the purposes of determining the surcharge liability for the fresh start period of successor self-insured employers after July 1, 1995.

The amendment proposed to allow all group self-insurers to declare surplus funds above the required confidence level without prior approval of the Superintendent of Insurance, to distribute surplus funds and file information with the superintendent and to clarify what assets held outside the trust fund may be considered when determining surplus.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 619 clarifies the definition of "successor self-insured employer" for the purpose of determining the applicable surcharge for the fresh start period. The surcharge of successor self-insured employers is calculated by using a formula based on whether the employer or employers combining to form the successor entity had any fresh start liability and the surchargeable premium of each employer. The law is retroactive for the purposes of determining the surcharge liability for the fresh start period of successor self-insured employers after July 1, 1995. It also gives self-insured employers the ability to appeal a surcharge billing to the governing board of the Workers' Compensation Residual Market Pool for a determination as to whether the billing is consistent with the Maine Revised Statutes, Title 24-A, section 2393 or whether there was a factual inaccuracy in the information underlying a surcharge issued by the board.

Public Law 1995, chapter 619 allows all group self-insurers to declare surplus funds above the required confidence level without prior approval of the Superintendent of Insurance and to distribute surplus funds and file information with the superintendent. It also clarifies what assets held outside the trust fund may be considered when determining surplus.

LD 1650 An Act Enabling the Maine Employers' Mutual Insurance Company to Better Serve the Needs of Small Business

PUBLIC 551

Sponsor(s)
GWADOSKY

Committee Report
OTP-AM

Amendments Adopted
H-719

LD 1650 proposed to make 2 changes in Maine Employers' Mutual Insurance Company's enabling legislation. Under the current statutory framework, the company has no authority to provide premium payment plans and to extend coverage to Maine-based employers with out-of-state operations. This bill proposed to enable the company to provide alternative premium payment plans