

# 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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**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 &amp; 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&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; 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.

Sponsor(s)

Committee Report  
ONTP

Amendments Adopted

LD 1789 was introduced by the Joint Standing Committee on Banking and Insurance pursuant to Public Law 1995, chapter 332, Part Q, section 1 in order to clarify the guaranteed issuance requirements for small group health plans. The bill proposed to extend the employer's right to guaranteed issuance of the small group plan to one indemnity plan and one health maintenance organization plan. It also provides that any participation requirement must be based on the total number of eligible employees and their dependents covered under both plans.

**LD 1798**

**An Act to Create a Multi-payor System for Universal Health Care**

ONTP

Sponsor(s)

Committee Report  
ONTP

Amendments Adopted

LD 1798 was presented by the Maine Health Care Reform Commission as part of its legislative package, along with LD 1753 and LD 1803. This bill proposed to establish universal coverage through a multiple-payor system and contained the following provisions.

Part A establishes the Maine Health Care Authority. The authority is required to administer the Maine Health Care Plan, a universal health care plan for all residents meeting a one-month residency requirement. The plan requires all persons that have resided in Maine for one month to pay a premium for health care coverage under the plan. The premium is equal to the cost of the coverage less an employer's contribution, if applicable. The employer is required to pay 50% of the premium if the employee is full time, reduced on a pro rata basis for persons working less than full time. Premium payments and employer contributions are enforced by the authority and the authority may impose a lien on real and personal property owned by any person or entity failing to pay the amount owed. Subsidies are available for individuals and employers meeting certain eligibility criteria.

Part A also establishes a purchasing Alliance, a division within the Maine Health Care Authority. The alliance is a purchasing sponsor, through which Maine residents can choose a carrier to provide coverage under the Maine Health Care Plan. The alliance shall negotiate with carriers based on both the price and quality offered by the carrier. The alliance shall collect premiums and pay carriers as appropriate.

Part A also assigns to the Maine Health Care Authority the task of creating a comprehensive state health resource plan, establishing a global budget, integrating the certificate of need program into the global budget and state health resource plan, and ensuring the quality and affordability of health care in the State.

Part A allows the members of the alliance board under the Maine Health Care Authority to be paid for expenses.

Part B requires the Maine Health Care Authority and the Department of Human Services to coordinate the Maine Health Care Plan with the health benefits provided under the Medicaid and Medicare programs. The department is required to apply for all waivers necessary to integrate the Medicaid program with the Maine Health Care Plan to the maximum extent possible.

Part C eliminates the requirement for the Department of Human Services to create a comprehensive health plan. This Part also amends the certificate of need program to extend to all providers.

Part D requires the Bureau of Insurance and the Maine Health Care Authority to study the laws and rules currently enforced by the bureau and report to the Legislature regarding any statutory changes needed to coordinate the role of the bureau with the function of the authority and its division, the alliance.

Part E repeals the statutes creating the State Employee Health Commission and the State Employees Health Insurance Plan. The State will purchase health care coverage under the Maine Health Care Plan through the alliance.

Part F requires health plans operating in the State to comply with certain disclosure requirements, provider credentialing restrictions, utilization review protections and other patient or provider protections.

Part G increases the taxes necessary for raising the revenue.

Part H establishes the Maine Health Data Organization, an independent state agency that will oversee and coordinate health collection activities and collect, edit and store statewide health data resources.

Part I requires the Commissioner of Professional and Financial Regulation to cooperate with the Maine Health Data Organization's data collection activities and to require the cooperation of the health care practitioner licensing boards within and affiliated with the Department of Professional and Financial Regulation. Part B also requires the Commissioner of Human Services to cooperate with the Maine Health Data Organization's data collection activities.

Part J allows the board members for the Maine Health Data Organization to be reimbursed for their expenses.

Part K amends the licensing statutes for all health care practitioners to provide that repeated and intentional failure to comply with the data collection requirements imposed under the Maine Revised Statutes, Title 22, chapter 1683 is grounds for terminating a health care practitioner's license.

Part L requires the Department of Human Services to submit legislation to the Legislature to amend the statutes to correct cross-references and make any other necessary changes by July 1, 1996.

**LD 1803      An Act to Create a Single-payor System for Universal Health      ONTP**  
**Care**

Sponsor(s)

Committee Report  
ONTP

Amendments Adopted

LD 1803 was presented by the Maine Health Care Reform Commission as part of its legislative package, along with LD 1753 and LD 7198. This bill proposed to establish universal coverage through a single-payor system and contained the following provisions.