

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
118TH LEGISLATURE**

**FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE**

**JULY 1997**

**MEMBERS:**

*Sen. Lloyd P. LaFountain III, Chair*

*Sen. Robert E. Murray, Jr.*

*Sen. I. Joel Abromson*

*Rep. Jane W. Saxl, Chair*

*Rep. Julie Winn*

*Rep. Thomas M. Davidson*

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*Rep. Joseph Bruno*

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**Maine State Legislature**

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**ONE HUNDRED EIGHTEENTH LEGISLATURE  
FIRST REGULAR AND FIRST SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees  
August 1997**

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. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet ([www.state.me.us/legis/opla](http://www.state.me.us/legis/opla)).

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:

- CARRIED OVER*.....*Bill carried over to Second Regular Session*
- CON RES XXX*.....*Chapter # of Constitutional Resolution passed by both Houses*
- CONF CMTE UNABLE TO AGREE*.....*Committee of Conference unable to agree; bill died*
- DIED BETWEEN BODIES*.....*House & Senate disagree; bill died*
- DIED IN CONCURRENCE*.....*One body accepts ONTP report; the other indefinitely postpones the bill*
- DIED ON ADJOURNMENT*.....*Action incomplete when session ended; bill died*
- EMERGENCY*.....*Enacted law takes effect sooner than 90 days*
- FAILED EMERGENCY ENACTMENT/FINAL PASSAGE*.....*Emergency bill failed to get 2/3 vote*
- FAILED ENACTMENT/FINAL PASSAGE*.....*Bill failed to get majority vote*
- FAILED MANDATE ENACTMENT*.....*Bill imposing local mandate failed to get 2/3 vote*
- INDEF PP*.....*Bill Indefinitely Postponed*
- ONTP*.....*Ought Not To Pass report accepted*
- OTP ND*.....*Committee report Ought To Pass In New Draft*
- OTP ND/NT*.....*Committee report Ought To Pass In New Draft/New Title*
- P&S XXX*.....*Chapter # of enacted Private & Special Law*
- PUBLIC XXX*.....*Chapter # of enacted Public Law*
- RESOLVE XXX*.....*Chapter # of finally passed Resolve*
- UNSIGNED*.....*Bill held by Governor*
- VETO SUSTAINED*.....*Legislature failed to override Governor's Veto*

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 26, 1997 and September 19, 1997 for the First Special Session.

*David E. Boulter, Director*

Offices Located in the State House, Rooms 101/107/135

insurance activity permissible for federally chartered financial institutions to the extent authorized by the Superintendent of Insurance through rulemaking.

The amendment also adds a fiscal note to the bill.

***Enacted law summary***

Public Law 1997, chapter 207 amends the parity provisions of the Maine Banking Code to allow state-chartered financial institutions to engage in any and all activities permitted for federally chartered financial institutions by federal law or regulatory action notwithstanding any other provision of state law. The law authorizes the Superintendent of Banking to adopt rules to ensure that all such activities engaged in by state-chartered financial institutions are conducted in a safe and sound manner. The law also amends the Maine Insurance Code to permit insurance agents and brokers to engage in any insurance activity permissible for federally chartered financial institutions pursuant to federal law or rule to the extent authorized by the Superintendent of Insurance.

Public Law 1997, chapter 207 was enacted as an emergency measure effective May 16, 1997.

**LD 234**

**An Act to Extend Access to Chiropractic Care under Health Maintenance Organization Managed Care Plans**

**PUBLIC 99**

<u>Sponsor(s)</u> CAMPBELL LAFOUNTAIN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-23
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LD 234 proposed to extend the repeal date for access to chiropractor care under health maintenance organization managed care plans from March 1, 1998 to March 1, 2000. Under current law, enrollees in health maintenance organization managed care plans may self refer for chiropractic care under certain conditions.

**Committee Amendment "A" (H-23)** proposed to remove the repeal date of the statutory provision governing access to chiropractic care under health maintenance organization managed care plans. The amendment also proposed to require the Bureau of Insurance to submit a report to the joint standing committee of the Legislature having jurisdiction over insurance matters by January 1, 1999 on the claims experience of health maintenance organizations related to self-referrals of chiropractic care. The amendment also adds a fiscal note to the bill.

**House Amendment "A" (H-70)** proposed to amend the bill by removing the exception in current law that exempts all health maintenance organization contracts with the State Employee Health Insurance Program from providing self-referrals for chiropractic care. House Amendment "A" was not adopted.

**Senate Amendment "A" (S-86)** also proposed to amend the bill by removing the exception in current law that exempts all health maintenance organization contracts with the State Employee Health Insurance Program from providing self-referrals for chiropractic care. Senate Amendment "A" was not adopted.

***Enacted law summary***

Public Law 1997, chapter 99 removes the repeal date of the provisions in current law that allow self-referrals for chiropractic care by enrollees in health maintenance organization managed care plans. The law also requires the

Bureau of Insurance to conduct a study on the claims experience related to self-referrals of chiropractic care of health maintenance organization managed care plans.

**LD 307**                      **An Act to Allow Self-referral for Obstetrical Care in Managed Care CARRIED OVER Plans**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE DAGGETT		

LD 307 proposes to require all group managed care plans of insurers, nonprofit hospital and medical service organizations and health maintenance organizations to provide coverage for obstetrical care throughout a pregnancy without requiring a prior referral from the woman's primary care physician. This bill proposes to apply to all policies, contracts or certificates issued or renewed on or after January 1, 1998.

Pursuant to Title 24-A, Maine Revised Statutes, Section 2752, the Bureau of Insurance is required to conduct a review and evaluation of proposed mandated insurance benefit legislation before the proposal is enacted into law. The Joint Standing Committee on Banking and Insurance requested a review and evaluation by the Bureau and LD 307 was carried over to the Second Regular Session to allow the Bureau to complete the study.

**LD 309**                      **An Act to Amend the Laws Governing Medical Payments Coverage Limits on Priority Liens**                      **ONTP**

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

LD 309 proposed to extend the current statutory provisions governing limits on priority liens and subrogation rights related to health insurance policies to medical payments coverage in casualty insurance policies. The bill would have prohibited an insurer from reimbursing an insured for any medical payments that may be recovered from a third party as a result of a legal action except if the payments were allowed on a just and equitable basis.

See related bills LD 1288 and LD 1453.

**LD 335**                      **An Act to Prohibit Certain Activities by Insurance Adjusters**                      **PUBLIC 86**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO ABROMSON	OTP-AM	H-107

LD 335 proposed to prohibit an insurance adjuster from approaching, soliciting or offering services to a person not insured by the insurer for which the adjuster is providing services for at least 36 hours after an accident or occurrence for which the person may have a potential claim.