

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:

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Sen. Robert E. Murray, Jr.

Sen. I. Joel Abromson

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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).

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 Regular 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 IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</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/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</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>OTP ND</i>	<i>Committee report Ought To Pass In New Draft</i>
<i>OTP ND/NT</i>	<i>Committee report Ought To Pass In New Draft/New Title</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>Bill held by Governor</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 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

LD 766

An Act to Provide Options under Managed Care Plans for Counseling by a Primary Care Physician

ONTP

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

LD 766 proposed to allow primary care physicians to provide office-based mental health services to enrollees in managed care plans if the enrollee chooses to receive counseling from the primary care physician. The bill also proposed to require the managed care plan to reimburse a primary care physician for mental health services at the same level of reimbursement as a mental health provider credentialed by the managed care plan.

LD 785

An Act to Require Certain Practices by Managed Care Plans

ONTP

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

LD 785 proposed to require managed care plan policies and contracts offered by nonprofit hospital and medical service organizations, insurers and health maintenance organizations to provide in-patient hospital coverage following mastectomy surgery.

The bill also proposed to prohibit nonprofit hospital and medical service organizations, insurers and health maintenance organizations offering managed care plans from providing payments or other financial incentives to participating providers for not referring patients to specialists and for not disclosing the seriousness of a patient's condition.

See related bill LD 1556.

LD 806

An Act to Include Health Maintenance Organizations in the Bureau of Insurance's Regulatory Assessment

PUBLIC 79

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN	OTP-AM	S-55

LD 806 proposed to apply the current assessment for the regulatory expenses of the Maine Bureau of Insurance upon insurance companies to health maintenance organizations as well. The current assessment on insurers will not be increased, but will be apportioned equitably between insurance companies and health maintenance organizations.

Committee Amendment "A" (S-55) proposed to clarify that the direct gross premium from the health maintenance organization division or line of business of a nonprofit hospital, medical or health care service organization is not included in the assessment base used in calculating the assessment upon a nonprofit hospital, medical or health care service organization for the expenses of maintaining the Bureau of Insurance.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 79 requires health maintenance organizations to pay an assessment for the regulatory expenses of maintaining the Maine Bureau of Insurance.

LD 808

An Act to Amend the Laws Governing Banking Institutions

PUBLIC 22

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

LD 808 proposed to do the following:

1. Expand the definition of activities that may be performed by a service corporation to include those activities permitted for service corporations owned by national banks;
2. Eliminate the application requirement for establishing, closing or relocating a satellite facility and replace it with a notification requirement;
3. Permit the Superintendent of the Bureau of Banking to expedite the conversion of a federally chartered financial institution to state charter if the superintendent considers it necessary for the protection of depositors, shareholders or the public. This provision is consistent with expedited authorities for mergers, acquisitions and other conversion transactions;
4. Change the provisions for the acquisition of a stock institution by a mutual institution;
5. Eliminate references to shareholders in the subordination of claims from the issuance of capital notes or debentures;
6. Change the current application process for most service corporations and subsidiaries to a notice process with no formal approval, which is similar to the process provided under federal law;
7. Change the provisions relating to insider lending to more closely track federal regulation of this area;
8. Repeal language that prohibits a bank director, officer or employee from engaging in the business of selling securities;
9. Repeal outdated requirements in thrift deposit-taking law regarding the payment of interest or dividends on deposit; and
10. Make consistent the process for annual review of lines of credit for banks and thrift institutions.

Enacted law summary

Public Law 1997, chapter 22 makes technical changes to modernize and update the Maine Banking Code. The law streamlines and reduces the regulatory requirements with respect to certain applications filed with the Bureau of