

MAINE STATE LEGISLATURE

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STATE OF MAINE
118TH LEGISLATURE

SECOND REGULAR SESSION
AND
SECOND SPECIAL SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

MAY 1998

MEMBERS:

Sen. Lloyd P. LaFountain III, Chair
Sen. Robert E. Murray, Jr.
Sen. I. Joel Abromson

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ONE HUNDRED EIGHTEENTH LEGISLATURE
SECOND REGULAR AND SECOND SPECIAL SESSIONS

Summary Of Legislation Before The Joint Standing Committees
May 1998

We are pleased to provide this summary of bills that were considered by the Joint Standing Committees of the Maine Legislature. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. 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 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:

- 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 Second Regular Session (unless otherwise specified in a particular law) is June 30, 1998 and July 9, 1998 for the Second Special Session. Second Special Session laws include Public Laws beginning with Chapter 718, Private and Special Laws beginning with Chapter 82 and Resolves beginning with Chapter 117.

Joint Standing Committee on Banking and Insurance

LD 307

An Act to Allow Self-referral for Obstetrical Care in Managed Care Plans

ONTP

<u>Sponsor(s)</u> VIGUE DAGGETT	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 307 was carried over from the First Regular Session and First Special Session and proposed to require all group managed care plans of nonprofit hospital and medical service organizations, insurers 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.

The bill would have applied to all policies, contracts and certificates in effect on or after January 1, 1998.

LD 889

An Act to Ensure Fair Claims Settlement Practices

PUBLIC 621

<u>Sponsor(s)</u> LAFOUNTAIN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-482
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LD 889 was carried over from the First Regular Session and First Special Session and proposed to expand the list of the types of unfair claims settlement practices by an insurer for which recovery may be made.

Committee Amendment "A" (S-482) replaced the bill. It proposed to expand the list of unfair claims practices to include the failure of an insurer without just cause to make prompt, fair and equitable settlement of claims for which liability has become reasonably clear. The amendment defines "without just cause" as refusing to settle claims without a reasonable basis to contest liability, the amount of any damages or the extent of any injuries claimed.

The amendment clarifies that the Maine Revised Statutes, Title 24-A, section 2436-A does not prohibit any other claim or cause of action available under law against an insurer. The amendment excepts workers' compensation claims from coverage under this provision.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 621 expands the list of actions considered to be unfair claims settlement practices by insurers to include the failure of an insurer without just cause to make prompt, fair and equitable settlement of claims for which liability has become reasonably clear. An insurer acts "without just cause" if it refuses to settle claims without a reasonable basis to contest the liability of the insurer, the amount of any damages or the extent of any injuries claimed.

Public Law 1997, chapter 621 clarifies that Maine Revised Statutes, Title 24-A, section 2436-A does not prohibit any other claim or cause of action a person has against an insurer. It also exempts workers' compensation insurance claims from the application of Title 24-A, section 2436-A.

LD 1060 **An Act to Provide Health Insurance Coverage for Prostate Cancer Screening** **PUBLIC 754**

<u>Sponsor(s)</u> ABROMSON MAYO	<u>Committee Report</u>	<u>Amendments Adopted</u> S-452 ABROMSON
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LD 1060 was originally considered by the Joint Standing Committee on Banking and Insurance during the First Regular and First Special Session, but the bill died between bodies when the House and Senate failed to agree on the legislation. LD 1060 was recalled from the Legislature's dead file in the Second Regular Session. The bill proposed to require all individual and group contracts of nonprofit hospital and medical service organizations, insurers and health maintenance organizations to provide insurance coverage for prostate cancer screening. Coverage for prostate cancer screening must be provided annually to men 50 years of age or older; to African-American men 45 years of age or older; and to men 40 years of age or older with a family history of prostate cancer.

The bill proposed to apply to all policies, contracts and certificates in effect on or after January 1, 1998.

Senate Amendment "A" (S-452) was proposed and adopted during the Second Regular Session after LD 1060 was recalled from the Legislature's dead file. Senate Amendment "A" proposed to require all individual and group contracts of nonprofit hospital and medical service organizations, insurers and health maintenance organizations to provide insurance coverage for prostate cancer screening. Coverage for prostate cancer screening must be provided annually to men 50 years of age or older until a man reaches the age of 72 if the procedures are recommended by a physician.

The amendment proposed to exempt accidental injury, specified disease, hospital indemnity, Medicare supplement, long-term care and other limited benefit health insurance policies and contracts from the requirement that health insurance contracts provide coverage for prostate cancer screening.

The amendment makes the changes made by the bill and this amendment applicable to all policies and contracts and certificates in effect on or after September 1, 1998.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 754 requires all individual and group contracts of nonprofit hospital and medical service organizations, insurers and health maintenance organizations to provide insurance coverage for prostate cancer screening. Coverage for prostate cancer screening, including a prostate-specific antigen (PSA) test and digital rectal examination, must be provided annually to men age 50 or older until a man reaches age 72 if the procedures are recommended by a physician.

The requirements of chapter 754 apply to all policies, contracts and certificates in effect on or after