

# 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 G. Carleton, Jr.*

*Rep. Sumner A. Jones, Jr.*

*Rep. Arthur F. Mayo III*

*Rep. Joseph Bruno*

**Staff:**

*Colleen McCarthy Reid, Legislative Analyst*

*Office of Policy and Legal Analysis*

*Room 101/107/135, 13 State House Station*

*Augusta, ME 04333*

*(207)287-1670*



**Maine State Legislature**  
**OFFICE OF POLICY AND LEGAL ANALYSIS**

13 State House Station, Augusta, Maine 04333-0013  
 Telephone: (207) 287-1670  
 Fax: (207) 287-1275

**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:

<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 &amp; 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&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>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

of promoting community development and providing lending and investment services to a membership of predominantly low-income individuals. The bill allows community development credit unions to accept shares from nonmembers and to receive financial and technical assistance from the National Credit Union Administration's Community Development Credit Union Revolving Loan Fund.

**Committee Amendment "A" (S-69)** proposed to change the definition of “low-income”, require that the Superintendent of Banking notify a community development credit union when the community development designation is removed and authorize community development credit unions to accept deposit accounts of a type approved by the Superintendent from nonmembers in addition to the acceptance of shares from nonmembers.

It also adds a fiscal note to the bill.

***Enacted law summary***

Public Law 1997, chapter 108 authorizes the designation of community development credit unions under a state charter approved by the Superintendent of Banking. Community development credit unions are organized for the purposes of promoting community development and providing lending and investment services to a membership of predominantly low-income individuals. The law allows community development credit unions to accept shares, or deposit accounts of an approved type, from nonmembers and to receive financial and technical assistance from the National Credit Union Administration’s Community Development Credit Union Revolving Loan Fund.

**LD 1082**

**An Act to Ensure Fair Pricing for Consumers of Health Care Services under Managed Care Plans**

**PUBLIC 197**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MITCHELL J MILLS	OTP-AM	H-236

LD 1082 proposed to require that, if insurers, health maintenance organizations and nonprofit hospital, medical and health care service organizations offering managed care plans calculate any copayment or deductible in percentage terms, that copayment or deductible must be based on the disclosed actual cost of the service to the carrier.

**Committee Amendment "A" (H-236)** proposed to replace the bill and expand the scope of the original bill to include all types of health care policies and plans subject to state regulation. It replaces the term "disclosed actual cost" with "net negotiated cost" and clarifies that net negotiated costs for any plans involving risk-sharing compensation arrangements be calculated at the time services are rendered on the basis of reasonably anticipated compensation levels and are not subject to retrospective adjustment at final settlement.

***Enacted law summary***

Public Law 1997, chapter 197 requires all insurers, health maintenance organization and nonprofit hospital and medical service organization contracts with respect to which the insurer or organization has negotiated discounts with providers to calculate all covered benefits, including all coinsurance, deductibles and lifetime maximum benefits, on the basis of the net negotiated cost and to reflect any discounts or differentials from charges otherwise applicable to the services provided. The law also clarifies that net negotiated costs for any plans involving risk-sharing compensation arrangements be calculated at the time services are rendered on the basis of reasonably anticipated compensation levels and are not subject to retrospective adjustment at final settlement.