

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
119TH LEGISLATURE**

**FIRST REGULAR SESSION**

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

**JULY 1999**

**MEMBERS:**

*Sen. Lloyd P. LaFountain III, Chair*

*Sen. Neria R. Douglass.*

*Sen. I. Joel Abromson*

*Rep. Jane W. Saxl, Chair*

*Rep. Christopher P. O'Neil*

*Rep. Joseph C. Perry*

*Rep. Benjamin F. Dudley*

*Rep. John G. Richardson, Jr.*

*Rep. Nancy B. Sullivan.*

*Rep. Arthur F. Mayo III*

*Rep. Sumner A. Jones, Jr.*

*Rep. Kevin J. Glynn*

*Rep. Robert W. Nutting*

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**ONE HUNDRED NINETEENTH LEGISLATURE**  
**FIRST REGULAR SESSION**

**Summary Of Legislation Before The Joint Standing and Select Committees**  
**August 1999**

We are pleased to provide this summary of all bills that were considered by the Joint Standing and Select Committees of the Maine Legislature this past session. 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 and select committees.

The document is organized for convenient reference to information on bills considered by the 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](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  
*ENACTMENT FAILED*..... Bill failed to get vote required for enactment or final passage  
*NOT PROPERLY BEFORE THE BODY*..... Ruled out of order by the presiding officers; bill died  
*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 September 18, 1999.

Sponsor(s)  
LAFOUNTAINCommittee Report  
OTP-AMAmendments Adopted  
S-112

LD 1664 proposed to clarify the definition of "basic health care services" for purposes of defining the scope of health care services to be provided by all health maintenance organizations. Under the Bureau of Insurance Rule, Chapter 850, Section 7(B)(1), all health maintenance organizations are presently required to include in each of their health plans the specific coverages set forth in the health maintenance organization basic plan, which in turn is set forth in the Bureau of Insurance Rule, Chapter 750, Section 6(B). Together, these rule provisions have the effect of imposing upon health maintenance organizations as mandated benefits, certain benefits that go beyond the present scope of mandated benefits. In addition, these rules impose very specific requirements governing the applicability of copayments, or prohibitions on copayments, that are contrary to the coverages historically provided by health maintenance organizations and are inconsistent with the types of plans employers have traditionally sought. It also proposed to focus the definition of "basic health care services" upon a list of medical services required to be covered and include all statutory mandates. It proposed to recognize and preserve the Bureau of Insurance's authority to adopt rules further defining the services all health maintenance organizations must provide. At the same time, it proposed to preclude the bureau from relying on all particulars of the standard or basic plans in Chapter 750 for this purpose and proposed to leave to employers and health maintenance organizations the task of determining the nature and scope of copayments and related requirements that they desire to flesh out this scope of services.

**Committee Amendment "A" (S-112)** proposed to replace the bill. It proposed to clarify the basic health care services that must be provided in all health maintenance organization plans. The bill would allow the Superintendent of Insurance to define "basic health care services" by rule, but prohibits the superintendent from requiring that health maintenance organization plans meet or exceed the requirements of the standard and basic plan specified in Bureau of Insurance Rule, Chapter 750. In adopting rules to define "basic health care services," the superintendent shall permit reasonable, but not excessive or unfairly discriminatory, variations in the copayment, coinsurance, deductible and other features offered in health maintenance organization plans.

The amendment also proposed to add a fiscal note to the bill.

***Enacted law summary***

Public Law 1999, chapter 222 requires that basic health care services be provided in all health maintenance organization plans. It allows the Superintendent of Insurance to define “basic health care services” by rule, within the requirements of standard and basic plan specified in Bureau of Insurance Rule, chapter 750.

Chapter 222 was enacted as an emergency measure effective May 18, 1999.

**LD 1672                      An Act Concerning Service Relating to the Disclosure of Financial Records                      PUBLIC 197**

<u>Sponsor(s)</u> POVICH	<u>Committee Report</u> OTP	<u>Amendments Adopted</u>
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LD 1672 proposed to provide that a customer need not be served with a subpoena, summons or warrant in a state grand jury proceeding involving a fiduciary institution. Public Law 1999, chapter 16, section 1 amended the Maine Revised Statutes, Title 9-B, section 163, subsection 1 by providing that a subpoena, summons or warrant issued to a fiduciary institution in a criminal proceeding need not be served upon the customer. Since the statute had previously provided that the customer need not be served with a copy of the subpoena, summons or warrant issued in a federal grand jury proceeding, confusion exists as to whether service upon the customer is necessary in a state grand jury proceeding.

***Enacted law summary***

Public Law 1999, chapter 197 provides that a customer in a state grand jury proceeding involving a fiduciary institution need not be served with a subpoena, summons or warrant.

**LD 1677                      An Act to Enhance the Integrity of Processing Insurance Claims Relating to Motor Vehicle Glass                      ONTP**

<u>Sponsor(s)</u> O'NEIL	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1677 proposed to allow insurers to use independent third-party claims administrators or agents for auto glass claims, but prohibit the use of a third-party administrator or agent that is affiliated with the glass industry.