

# 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*

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*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.

In Mullen v. Liberty Mutual Insurance Co., the Supreme Judicial Court determined that under current law the victim of a negligent motorist may be denied the full benefit of the uninsured motorist insurance purchased if multiple people are injured. This bill proposes to amend the provision of law construed in Mullen and ensures that a person who is injured in an automobile accident is covered to the full extent of the underinsured motorist coverage purchased.

**Committee Amendment "A" (S-204)** is the majority report of the committee. It proposes to clarify that the bill is not intended to affect the validity of "no consent to settlement" clauses in motor vehicle insurance policies and contracts.

LD 2043 was carried over to the Second Regular Session.

**LD 2049**                      **An Act Providing Recourse and Protection to Vendors Receiving Bad Checks**                      **ONTP**

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

LD 2049 proposed to authorize financial institutions to provide certain information on closed accounts to merchants.

**LD 2058**                      **An Act Relative to Insurance Compliance Self-audit**                      **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO ABROMSON		

LD 2058 proposes to encourage insurers to engage in self-auditing functions to facilitate compliance with the Maine Insurance Code.

LD 2058 has been carried over to the Second Regular Session.

**LD 2059**                      **An Act to Establish the Maine Single-payor Health Care Plan and to Restructure the State Tax System**                      **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VOLENIK PINGREE	ONTP      MAJ OTP-AM    MIN	

LD 2059, Part A, proposed to establish the Maine Single-payor Health Care Plan. It proposed to establish the Department of Health Security as an independent agency to administer the plan. Under the plan, enrollees would have paid premiums to the plan and would have chosen their own health care providers and the plan would have paid their bills. Coverage under the plan would have been supplemental to other coverage. The bill proposed to require a report from the Commissioner of Health Security to the joint standing committee of the Legislature having jurisdiction over human resource matters on the options for coordination of the plan with other health plans and for the plan to take over coverage of some persons covered by those health plans. The bill proposed to require an annual report from the commissioner to the Governor and the Legislature on the operation and activities of the plan.

Part B of the bill proposed to establish the position of Commissioner of Health Security. It proposed to establish the pay range for the commissioner as range 89.

Part C of the bill proposed to repeal all sales tax exemptions and increases income tax rates to raise revenue to implement the Maine Single-payor Health Care Plan. The bill also proposed to require that payments by tobacco product manufacturers to the State in settlement of claims brought against them by the State be used to fund the plan.

**Committee Amendment "A" (H-631)** is the minority report of the committee. The amendment proposed to do the following:

1. Remove the requirement that the Maine Single-payor Health Care Plan provide coverage for long-term care and dental services;
2. Increase the maximum copayment that may be charged for prescription drugs to \$10;
3. Clarify the provision of healing services by recognized nonmedical religious providers;
4. Remove the requirement that payments from the tobacco settlement to the State be used to partially fund the Maine Single-payor Health Care Plan;
5. Require that the Commissioner of Health Security report to the joint standing committee of the Legislature having jurisdiction over insurance matters;
6. Repeal the statutes creating the State Employee Health Commission and the State Employee Health Insurance Program. State employees will be insured under the Maine Single-payor Health Care Plan. It also corrected cross-references to the State Employee Health Commission and the State Employee Health Insurance Program; and
7. Remove the provisions in the bill repealing all sales tax exemptions and increasing income tax rates. Instead, the amendment requires the Commissioner of Health Security and the State Tax Assessor to determine the funding levels required to support the Maine Single-payor Health Care Plan and to recommend to the Legislature the imposition of the Maine Single-payor Health Care Plan tax on all plan enrollees to provide funding for the plan.

The amendment also proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

**LD 2096**                      **An Act Requiring Timely Reimbursement of Health Insurance Claims**                      **ONTP**

<u>Sponsor(s)</u> SHIELDS MITCHELL B		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 2096 proposed to require that health insurers, including managed care companies, pay provider claims on a timely basis or be subject to interest and penalties.

**LD 2138**                      **An Act to Permit the Transfer of Liabilities by a Member of a Workers' Compensation Group Self-insurer**                      **CARRIED OVER**

<u>Sponsor(s)</u> SAXL M		<u>Committee Report</u>		<u>Amendments Adopted</u>
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