

MAINE STATE LEGISLATURE

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*State Of Maine
120th Legislature*

First Regular Session

Bill Summaries

*Joint Standing Committee
on
Banking and Insurance*

August 2001

Members:

Sen. Lloyd P. LaFountain III, Chair

Sen. I. Joel Abromson

Sen. Neria R. Douglass

Rep. Christopher P. O'Neil, Chair

Rep. Benjamin F. Dudley

Rep. Nancy B. Sullivan

Rep. Marilyn E. Canavan

Rep. Lisa T. Marrache

Rep. William J. Smith

Rep. Arthur F. Mayo III

Rep. Kevin J. Glynn

Rep. Florence T. Young

Rep. John M. Michael

Staff:

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Maine State Legislature
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120th Legislature
First Regular Session

Summary Of Legislation Before The Joint Standing Committees
August 2001

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing 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 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).

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*
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*
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 21, 2001**.

David E. Boulter, Director
 Offices Located in the State House, Rooms 101/107/135

Joint Standing Committee on Banking and Insurance

LD 251 proposed to clarify the application of the definitions of "medical necessity" and "medically appropriate health care" to the medical review or utilization review practices of managed health care plans in the State.

Committee Amendment "A" (H-328) was the majority report of the committee and replaced the bill. The amendment proposed to repeal the definitions of "medical necessity" and "medically appropriate health care" and replace them with a definition of "medically necessary health care." The amendment clarified that "medically necessary health care" is the standard used to govern review of medical issues in utilization review at all stages of review, including internal and external appeals and civil action.

Enacted law summary

Public Law 2001, chapter 288 repeals the definitions of "medical necessity" and "medically appropriate health care" and replaces them with a definition of "medically necessary health care." The law clarifies that the term "medically necessary health care" is the standard used to govern review of medical issues in utilization review at all stages of review, including internal and external appeals and civil action.

LD 256 **An Act to Limit the Interest Rate Charged on Debt to 29 Percent** **ONTP**

<u>Sponsor(s)</u> GOODWIN		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 256 proposed to limit the interest that may be charged on consumer credit transactions to 29%.

LD 275 **An Act to Create Purchasing Alliances of Small Businesses In Order to Purchase Health Insurance** **ONTP**

<u>Sponsor(s)</u> BULL RAND		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 275 proposed to allow small employers with 100 or fewer employees to form an association for the purpose of obtaining health insurance on an aggregate group basis.

LD 318 **An Act to Clarify the Law Concerning Representations Made in Insurance Contracts** **ONTP**

<u>Sponsor(s)</u> LAFOUNTAIN MAYO		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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Joint Standing Committee on Banking and Insurance

LD 318 proposed to add property and casualty insurance to the list of types of insurance subject to the current Maine law concerning misrepresentations made on insurance applications. Under current law, misrepresentations made on insurance applications that are fraudulent or material to the acceptance of the risk by the insurer or to the hazard assumed by the insurer may prevent a recovery under life, credit life, disability, long-term care, accidental injury, specified disease, hospital indemnity or credit or accident insurance.

LD 323

An Act Concerning Patient Access to Eye Care Providers

PUBLIC 408

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN	OTP-AM MAJ	S-269
MAYO	ONTP MIN	

LD 323 proposed to require health plans and managed care plans that provide coverage for eye care services to provide direct access to eye care providers. The bill also proposed to prohibit plans from imposing a deductible or coinsurance for eye care services that is greater than a deductible or coinsurance for other medical services.

Committee Amendment "A" (S-269) was the majority report of the committee and replaced the bill. The amendment proposed to require health insurance carriers that provide coverage for eye care services to allow enrollees to self-refer for a maximum of 2 visits for each occurrence requiring eye care services from an eye care provider participating in the carrier's health plans. Eye care services are defined as those urgent health care services related to the examination, diagnosis, treatment and management of conditions, illnesses and diseases of the eye that if not treated within 24 hours present a serious risk of harm.

The amendment would apply to all policies, contracts and certificates issued or renewed on or after January 1, 2002. The amendment also added a fiscal note to the bill.

Enacted law summary

Public Law 2001, chapter 408 requires health insurance carriers that provide coverage for eye care services to allow enrollees to self-refer for a maximum of 2 visits for each occurrence requiring eye care services from an eye care provider participating in the carrier's health plans. Eye care services are defined as those urgent health care services related to the examination, diagnosis, treatment and management of conditions, illnesses and diseases of the eye that if not treated within 24 hours present a serious risk of harm.

Public Law 2001, chapter 408 applies to all policies, contracts and certificates issued or renewed on or after January 1, 2002.