

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*

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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 414 **An Act to Require Health Maintenance Organizations to Cover Optometrist Services** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL DOUGLASS	ONTP	

LD 414 proposed to amend the laws applicable to payments by health maintenance organizations for eye care services. It would have required health maintenance organizations to include coverage for services by optometrists.

See related bill LD 323.

LD 415 **An Act to Strengthen Health Maintenance Organization Insolvency Requirements** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL DOUGLASS	ONTP	

LD 415 proposed to require that health maintenance organizations carry insurance adequate to ensure payment for at least 120 days worth of managed care claims payments owed to participating providers in the event of insolvency.

See related bill LD 1284.

LD 426 **An Act Concerning Managed Care Provider Agreements** **DIED BETWEEN BODIES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	OTP-AM MAJ OTP-AM MIN	

LD 426 proposed to clarify that "hold harmless" provisions of managed care provider agreements and the "hold harmless" clause in the Maine Insurance Code do not prohibit participating providers from seeking reimbursement from either the health plan or the enrollee when the enrollee has not adhered to the terms of the health plan. The bill proposed to make the use or enforcement of "most favored nation" provisions in managed care provider agreements an unfair insurance practice. It also would allow participating providers to opt out of so-called "all products" clauses in participating provider agreements.

Joint Standing Committee on Banking and Insurance

Committee Amendment "A" (H-588) was the majority report of the committee and replaced the bill. The amendment proposed to clarify that the "hold harmless" provisions of managed care provider agreements do not prohibit participating providers from seeking reimbursement from an enrollee when the enrollee has not adhered to the terms of the health plan. The amendment required that participating providers notify enrollees of the availability of the Bureau of Insurance's Consumer Health Care Division for assistance in determining whether a health maintenance organization has properly denied coverage before seeking reimbursement. It also would preclude a provider from seeking reimbursement from a subscriber or enrollee if a determination is made that the health maintenance organization is liable for the coverage. The amendment also provided that the failure of a provider or health maintenance organization to process or issue a referral may not be considered the enrollee's failure to abide by the terms of the health plan.

The amendment proposed to remove the provisions in the bill relating to "most favored nation" and "all products" clauses in managed care provider agreements. The amendment also added a fiscal note to the bill.

Committee Amendment "A" was adopted in the House, but was not adopted in the Senate.

Committee Amendment "B" (H-589) was the minority report of the committee and replaced the bill. Like the majority report, the amendment proposed to clarify that the "hold harmless" provisions of managed care provider agreements do not prohibit participating providers from seeking reimbursement from an enrollee when the enrollee has not adhered to the terms of the health plan and also provided that the failure of a provider or health maintenance organization to process or issue a referral may not be considered the enrollee's failure to abide by the terms of the health plan. The amendment proposed to require that participating providers notify enrollees of the availability of the Bureau of Insurance's Consumer Health Care Division for assistance in determining whether a participating provider is properly exercising the provider's rights, but did not require that a determination be made that the coverage has properly been denied before permitting a provider to seek reimbursement.

The amendment proposed to remove the provisions in the bill relating to "most favored nation" and "all products" clauses in managed care provider agreements. The amendment also added a fiscal note to the bill.

Committee Amendment "B" was adopted in the Senate, but was not adopted in the House.

LD 428

An Act to Modify the Bureau of Insurance Complaint Ratios and to Increase the Amount of Penalties Assessed Against Violators of the Maine Insurance Code

PUBLIC 165

<u>Sponsor(s)</u> O'NEIL LAFOUNTAIN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-199
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LD 428 was submitted on behalf of the Department of Professional and Financial Regulation. Part A of the bill proposed to eliminate the requirement that the Bureau of Insurance consider only defined "substantiated" complaints in calculating and publicizing complaint ratios that compare insurers by the number of written complaints received by the Bureau of Insurance proportionate to insurer market share by lines of business. It also provided that rules adopted by the Bureau related to complaint ratios are routine technical, rather than major substantive rules. Part A also proposed to clarify that only a written complaint submitted on a form approved by the Superintendent of Insurance would be counted as a complaint.