

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
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Rep. William J. Smith
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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
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with the term of Governor and may be removed for cause. The administrator is given compensation commensurate with other agency heads within the Department of Professional and Financial Regulation and is given like authority to appoint and train personnel, cooperate and contract with other agencies and organize the Office of Securities. The administrator may also delegate the administrator's duties and authorities to senior office personnel. The substantive regulatory authority of the agency and the administrator remain unchanged.

Committee Amendment "A" (H-238) proposed to clarify that the position of Administrator of the Office of Securities is a major policy-influencing position within the department.

Enacted law summary

Public Law 2001, chapter 182 moves the Securities Division from the Bureau of Banking to a separate office within the Department of Professional and Financial Regulation to be known as the "Office of Securities." The Securities Administrator is appointed by the Commissioner of Professional and Financial Regulation for a term coterminous with the term of the Governor, and may be removed for cause. The administrator is given compensation commensurate with other agency heads within the Department of Professional and Financial Regulation and is given like authority to appoint and train personnel, cooperate and contract with other agencies and organize the Office of Securities. The administrator may also delegate the administrator's duties and authorities to senior office personnel. The substantive regulatory authority of the agency and the administrator remain unchanged.

LD 594 **An Act to Require Health Insurance Providers to Maintain Benefits During the Contract Term** **ONTP**

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

LD 594 proposed to require an insurer who enters into a health insurance binder with an employer to provide any health benefit to employees that the employer is contractually obliged to provide to employees during the term of the contract or risk a fine, suspension or revocation of the insurer's certificate of authority on being sued in Superior Court by any aggrieved parties.

LD 599 **An Act to Eliminate Maine Employers' Mutual Insurance Company Industry and Geographic Divisions and Related Advisory Boards and Other Outdated Provisions** **PUBLIC 350**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL LAFOUNTAIN	OTP-AM	H-198 H-266 O'NEIL

LD 599 proposed to update the charter of the Maine Employers' Mutual Insurance Company, or MEMIC.

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1. It eliminates MEMIC industry or geographic divisions and their advisory boards because of the substantially diminished role such divisions and boards play in the operation of MEMIC.
2. It eliminates certain funding and accounting language rendered obsolete since the Superintendent of Insurance certified the company as having adequate surplus.
3. It preserves the high-risk division as a separate program subject to standards that previously applied to the high-risk division.

Committee Amendment "A" (H-198) proposed to clarify that an employer may be placed in the high-risk program for noncompliance with reasonable safety standards and allow the Board of Directors of the Maine Employers' Mutual Insurance Company to establish a plan for surcharges in the high-risk program based on an employer's specific loss experience. The amendment also corrected a technical error in the bill.

House Amendment "A" (H-266) proposed to clarify the standards for the placement of an employer in the high-risk program.

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Enacted law summary

Public Law 2001, chapter 350 updates the charter of the Maine Employers' Mutual Insurance Company, or MEMIC. The law eliminates MEMIC industry or geographic divisions and their advisory boards because of the substantially diminished role such divisions and boards play in the operation of MEMIC. It also eliminates certain funding and accounting language rendered obsolete since the Superintendent of Insurance certified the company as having adequate surplus. It preserves the high-risk division as a separate program subject to standards that previously applied to the high-risk division.

LD 600 **An Act to Implement the Recommendations of the Joint Select Committee on School-based Health Care Services** **CARRIED OVER**

Sponsor(s)

Committee Report

Amendments Adopted

LD 600 would implement the recommendations of the Joint Select Committee on School-based Health Care Services. The bill proposed to do the following.

1. It requires the Department of Human Services to provide the state match for federal revenues under the Medicaid program for services provided in school-based health centers.
2. It requires the Department of Human Services to adopt rules allowing school-based health centers to become eligible for reimbursement for case management services to Medicaid-eligible children.
3. It requires health carriers to provide coverage for services provided in school-based health centers if the services would be covered under the policy in another setting. The bill also requires coverage for services under managed care plans without requiring prior approval from a primary care provider but requires school-based health centers to notify the primary care provider within 3 business days after the services are provided.
4. It requires the Department of Human Services, Bureau of Health, Division of Community and Family Health to convene an advisory group to develop standards and guidelines for school-based health centers and a certification process for school-based health centers. The advisory group shall submit its report and any necessary implementing legislation to the Joint Standing Committee on Health and Human Services. The Joint Standing Committee on Health and Human Services has authority to introduce a bill to the Second Regular Session of the 120th Legislature.

As required by Title 24-A Maine Revised Statutes Section 2752, the Joint Standing Committee on Banking and Insurance has requested that a review and evaluation of the proposed mandated health insurance benefit for school-based health care services included in the bill be completed by the Bureau of Insurance over the interim. LD 600 has been carried over to the Second Regular Session.