

MAINE STATE LEGISLATURE

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*State Of Maine
120th Legislature*

Second Regular Session

Bill Summaries

*Joint Standing Committee
on
Banking and Insurance*

May 2002

Members:

*Sen. Lloyd P. LaFountain III, Chair
Sen. Mary E. Small
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
Second Regular Session

Summary Of Legislation Before The Joint Standing Committees
May 2002

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 organized for convenient reference to information on bills considered by the committees. It is arranged alphabetically by committee name and within committees by bill (LD) number.

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:

- 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
PASSED..... Joint Order passed in both bodies
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 Second Regular Session (unless otherwise specified in a particular law) is July 25, 2002.

Patrick T. Norton, Interim Director
Offices located in Room 215 of the Cross Office Building

Joint Standing Committee on Banking and Insurance

LD 600

An Act to Implement the Recommendations of the Joint Select Committee on School-based Health Care Services

ONTP

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

LD 600 was carried over from the First Regular Session and 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.

As a result of an agreement between the bill's proponents and the State's health carriers, a pilot program to provide insurance coverage for services provided in school-based health centers will begin in 2003. LD 600 was voted "Ought Not to Pass" by the committee because of the establishment of this pilot project. An independent evaluation of the pilot project will be completed and the results will be reported to the Legislature after the first year of the pilot.

LD 782

An Act to Define Undisputed Claims for Covered Health Insurance Benefits

PUBLIC 569

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KILKELLY HONEY	OTP-AM	S-463

LD 782 proposed to define the term "undisputed claims" relative to health maintenance organizations; require the Superintendent of Insurance to collect data sufficient to enforce timely payment of undisputed claims; and establish financial penalties for late payment of undisputed claims.

Committee Amendment "A" (S-463) added a new title and replaced the bill. It proposed to enact a definition of "undisputed claim" and clarify that the definition applied only to claims made for covered benefits under health insurance policies. This amendment also added a fiscal note to the bill.

Joint Standing Committee on Banking and Insurance

Enacted law summary

Under current law, health insurers and health maintenance organizations must pay undisputed claims for covered benefits within 30 days. Public Law 2001, chapter 569 defines the term "undisputed claim" as a claim for payment of covered health care expenses that is submitted on the insurer's standard claim form using the most current published procedural codes with all the required fields completed with correct and complete information. The law also clarifies that the definition applies only to claims made for covered benefits under health insurance policies.

LD 915

An Act to Amend the Maine Insurance Guaranty Association Act

PUBLIC 478

Sponsor(s)
ABROMSOM
MAYO

Committee Report
OTP-AM

Amendments Adopted

LD 915 was originally referred to the Joint Standing Committee on Banking and Insurance, but was recommitted to the Joint Standing Committee on Appropriations and Financial Affairs and carried over from the First Regular Session. LD 915 proposed to make the following changes to the Maine Insurance Guaranty Association Act.

1. It exempts additional types of insurance from being subject to the Act.
2. It excludes first-party claims by an insured whose net worth exceeds \$10,000,000.
3. It amends the definition of "insolvent insurer" to clarify that it applies to that group of insurers defined as "member insurers", and amends the definition to mean a member insurer against when a final order of liquidation has been entered.
4. It enacts a definition of "person" to mean any individual or legal entity, including a governmental entity.
5. It sets a cap of \$10,000 on a claim for the return of unearned premium.
6. It provides that claims resulting from an insolvency must be filed no later than 18 months after the insolvency.
7. It provides that the Maine Insurance Guaranty Association may intervene as a parity in a case involving an insolvent insurer.
8. It provides a premium tax offset for an insurer that pays an assessment pursuant to the Act.

Committee Amendment "B" (S-402) proposed to make the following changes to the bill.

1. It excludes from the definition of "covered claims" any first-party claims of an insured whose net worth exceeds \$25,000,000.