

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 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 arranged alphabetically by committee name 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:

<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not To Pass report accepted</i>
<i>OTP ND</i>	<i>Committee report Ought To Pass In New Draft</i>
<i>OTP ND/NT</i>	<i>Committee report Ought To Pass In New Draft/New Title</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PASSED</i>	<i>Joint Order passed in both bodies</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

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 1554

An Act to Allow Health Insurance Premiums to be Eligible for Medical Savings Accounts

ONTP

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

LD 1554 was carried over from the First Regular Session. The bill proposed to allow residents of the State to establish medical savings accounts for payment of eligible medical expenses, including the payment of health insurance premiums, coinsurance, copayments and deductibles. Contributions to, interest earned on and qualified withdrawals from medical savings accounts would have been exempt from Maine state income tax.

Committee Amendment "A" (H-1048) was the minority report of the committee and replaced the bill. It would provide enabling legislation for health insurance carriers to offer medical savings accounts in conjunction with health insurance for policyholders in the individual health insurance market. Medical savings accounts must conform to the requirements for the accounts under federal law. Individuals with medical savings accounts are eligible for a federal tax deduction for contributions to the accounts and are not taxed for withdrawals to pay qualified medical expenses. The amendment did not propose to create any state income tax deduction or exemption for contributions or qualified withdrawals from medical savings accounts. The amendment also would require the Department of Professional and Financial Regulation, Bureau of Insurance to provide technical assistance to those companies that offer medical savings accounts in conjunction with individual health insurance policies within the bureau's existing resources. The legislation would be repealed upon the repeal of federal legislation authorizing medical savings accounts. The amendment also added a fiscal note to the bill. Committee Amendment "A" was not adopted.

House Amendment "A" to Committee Amendment "A" (H-1058) proposed to make contributions to, interest earned on and qualified withdrawals from individual medical savings accounts exempt from Maine state income tax. The provision would be repealed upon the repeal of federal legislation authorizing individual medical savings accounts. House Amendment "A" to Committee Amendment "A" was not adopted.

LD 1627

An Act to Ensure Equality in Mental Health Coverage

VETO
SUSTAINED

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DUDLEY	OTP-AM MAJ	H-1052
DOUGLASS	OTP-AM MIN	H-1077 DUDLEY

LD 1627 was carried over from the First Regular Session. The bill proposed to establish parity coverage for mental illness and substance abuse under the same terms and conditions as coverage for physical illness in all health insurance policies and health benefit plans. LD 1627 would expand the coverage of illness to include children's disorders and adult disorders as defined in the Diagnostic and Statistical Manual of Mental Disorders, as periodically revised, and would make current statutory definitions consistent. The bill also would include licensed clinical professional counselors in the definition of providers eligible to diagnose and treat mental illness.

Joint Standing Committee on Banking and Insurance

Committee Amendment "B" (H-1052) is the minority report of the committee and replaced the bill. The amendment proposed to expand the coverage of illness to include 11 categories of mental illness as defined in the Diagnostic and Statistical Manual of Mental Disorders, as periodically revised, and allow that coverage to be delivered as a carve out under a managed care system. The amendment would require parity coverage for those mental illnesses and apply the provision to all health benefit plans covering groups of 21 or more. The amendment made no change to the current law that requires carriers to offer "parity" coverage for individual health plans and group health plans covering fewer than 20 persons.

Like the majority report, the amendment would include licensed clinical professional counselors in the definition of providers eligible to treat mental illness and receive reimbursement for those services. The amendment also would require coverage for residential treatment services and home support services. The provisions apply to all policies and contracts issued or renewed on or after the effective date of the bill. The amendment also added a fiscal note.

House Amendment "A" to Committee Amendment "B" (H-1077) proposed to appropriate the savings realized in the bill as amended by Committee Amendment "B" to the Maine Rainy Day Fund.

Committee Amendment "A" (H-1051) is the majority report of the committee. It changed the bill title and replaced the bill. The amendment proposed to include licensed clinical professional counselors in the definition of providers eligible to treat mental illness. The amendment also would require that health insurance policies that cover mental illness include coverage for residential treatment up to 30 days per contract year. The amendment made no change to the existing law mandating "parity" for certain biologically-based mental illnesses. The amendment provided that the bill's provisions apply to policies, contracts and certificates issued or renewed on or after January 1, 2003. The amendment also added a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 1627 was enacted in the House and Senate, but vetoed by the Governor.

LD 1768

An Act to Create a Comprehensive Prescription Insurance Plan for Maine Seniors through the Implementation of the Recommendations of the Heinz Family Philanthropies Report

ONTP

<u>Sponsor(s)</u> BENNETT		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1768 was carried over from the First Regular Session and jointly referred to the Joint Standing Committees on Banking and Insurance and Health and Human Services. LD 1768 was a concept draft pursuant to Joint Rule 208. This bill proposed to create a comprehensive prescription insurance plan for senior citizens of the State in accordance with the recommendations of the Heinz Family Philanthropies study regarding prescription drugs.

The plan would have included the following requirements:

1. All Maine citizens 62 years of age and older would be eligible;