

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 1742

An Act to Clarify and Update the Laws Related to Health Insurance Contracts

PUBLIC 258

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SULLIVAN ABROMSON	OTP-AM	H-416

LD 1742 was submitted on behalf of the Department of Professional and Financial Regulation.

LD 1742 proposed to do the following.

Part A clarifies the requirement for coverage of newborns under maternity benefits by specifying that newborns are not subject to a separate deductible.

Part B gives the Superintendent of Insurance authority to waive the requirement that an insurer that exits the individual, small group or large group health insurance market in the State can not reenter for 5 years. It also gives the superintendent authority to waive the requirement that an insurer give a 3-month notice before ceasing to issue individual, small group or large group health insurance in the State.

Part C requires insurers to provide a certificate of creditable coverage to terminating insureds consistent with federal law.

Part D conforms various definitions and other provisions to federal regulations adopted pursuant to the Health Insurance Accessibility and Accountability Act of 1996.

Part E clarifies several definitions and other provisions in the individual health insurance reform laws, the small group health insurance reform laws and the continuity of coverage laws.

Part F amends the laws pertaining to Medicare supplement policies. It allows rates for benefit components of one plan to be based on the average cost of that benefit component across all standardized plans. It restricts the ability of insurers to segregate insureds by health status through the use of association groups.

Part G corrects errors from a previous law.

Part H makes out-of-state blanket policies providing coverage in the State subject to the same filing requirements as out-of-state group policies.

Committee Amendment "A" (H-416) proposed to require that information be provided in evaluations of proposed mandated health insurance benefits performed by the Bureau of Insurance on the financial impact of a mandate on employers and on the potential costs savings of the proposed mandated benefit and its effect on cost-shifting in the overall health care delivery system. It also added a fiscal note to the bill.

Joint Standing Committee on Banking and Insurance

Enacted law summary

Public Law 2001, chapter 258 does the following.

Part A clarifies the requirement for coverage of newborns under maternity benefits by specifying that newborns are not subject to a separate deductible.

Part B gives the Superintendent of Insurance authority to waive the requirement that an insurer that exits the individual, small group or large group health insurance market in the State cannot reenter for 5 years. It also gives the superintendent authority to waive the requirement that an insurer give a 3-month notice before ceasing to issue individual, small group or large group health insurance in the State.

Part C requires insurers to provide a certificate of creditable coverage to terminating insureds consistent with federal law.

Part D conforms various definitions and other provisions to federal regulations adopted pursuant to the Health Insurance Accessibility and Accountability Act of 1996.

Part E clarifies several definitions and other provisions in the individual health insurance reform laws, the small group health insurance reform laws and the continuity of coverage laws.

Part F amends the laws pertaining to Medicare supplement policies. It allows rates for benefit components of one plan to be based on the average cost of that benefit component across all standardized plans. It restricts the ability of insurers to segregate insureds by health status through the use of association groups.

Part G corrects errors from a previous law.

Part H makes out-of-state blanket policies providing coverage in the State subject to the same filing requirements as out-of-state group policies.

Part I requires that the Bureau of Insurance provide information on the financial impact of a mandate on employers and on the potential cost-savings of a mandate and its effect on cost-shifting in the overall health care delivery system as part of its review and evaluation of proposed mandated health insurance benefits performed pursuant to Title 24-A, Maine Revised Statutes, section 2752.