

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

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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;

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2. The plan would be means tested. Premiums, copayments, deductibles and a catastrophic cap would all be tied to income levels and the consumer price index. Persons with the lowest income levels would also have the lowest catastrophic cap;
3. In determining the premiums, deductibles and catastrophic caps for married couples based on household income, a reduction would be given so that those couples are not penalized or disadvantaged;
4. A formulary based on incentives would be established with generic, preferred and nonpreferred drugs;
5. If a generic drug is available, a brand-name drug would be available only by paying the difference in cost between the generic and brand-name medication;
6. "Lifestyle" drugs would be excluded from the plan; and
7. The plan would sunset after 4 full fiscal years.

LD 1784

An Act to Address the Health Coverage Crisis for Maine's Small Businesses and Self-employed Persons

PUBLIC 677

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAXL LAFOUNTAIN	OTP-AM	H-970

LD 1784 was carried over from the First Regular Session and was a concept draft pursuant to Joint Rule 208. The bill proposed to establish a reinsurance mechanism for the small group health insurance market.

Committee Amendment "A" (H-970) replaced the bill and changed the bill title. It proposed to establish the Maine Small Business Health Coverage Plan to provide health care coverage to small employers, including self-employed individuals, and their employees and dependents. The plan would operate under the supervision of a board of directors and in coordination with the Department of Human Services. The amendment would require the board to submit a business plan to implement the health coverage program and any necessary federal waivers to the Legislature for affirmative approval before the program begins operation. The amendment proposed to repeal the program in 6 years unless the program was continued by the Legislature. The amendment also added an appropriations section, an allocations section and a fiscal note to the bill.

Enacted law summary

Public Law 2001, chapter 677 establishes the Maine Small Business Health Coverage Plan to provide health care coverage to small employers, including self-employed individuals, and their employees and dependents. Small employers are defined as those employers with 50 or fewer employees. The Maine Small Business Health Coverage Plan operates under the supervision of an 11-member board of directors and in coordination with the Department of Human Services. Public Law 2001, chapter 677 requires the board to submit a business plan and actuarial analysis to implement the health coverage program and any necessary federal waivers to the Legislature for affirmative approval before the program begins operation.