

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

Staff:

Colleen McCarthy Reid, Legislative Analyst

Office of Policy and Legal Analysis

13 State House Station

Augusta, ME 04333

(207) 287-1670



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

13 State House Station, Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

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 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 **CARRIED OVER**

Sponsor(s)

Committee Report

Amendments Adopted

LD 1768 is a concept draft pursuant to Joint Rule 208 and was jointly referred to the Joint Standing Committee on Health and Human Services and the Joint Standing Committee on Banking and Insurance.

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 include the following requirements:

1. All Maine citizens 62 years of age and older would be eligible;
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 may be obtained 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 1768 has been carried over to the Second Regular Session.

LD 1784

An Act to Lower Costs in the Small Group Market

CARRIED OVER

Sponsor(s)
SAXL
LAFOUNTAIN

Committee Report

Amendments Adopted

Joint Standing Committee on Banking and Insurance

LD 1784 is a concept draft pursuant to Joint Rule 208. The bill proposed to establish a reinsurance mechanism for the small group health insurance market.

LD 1784 has been carried over to the Second Regular Session.

LD 1804 An Act to Improve the Accessibility and Affordability of Health CARRIED OVER **Care Benefits in the State**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| MILLS | | |

LD 1804 proposed to address the changing insurance environment in the State and to provide affordable options to certain employers wishing to make health benefits available to employees. The bill would do the following:

1. Amend and relax the criteria for self-funded multiple employer welfare arrangements by and among certain businesses;
2. Establish a mechanism by which certain small businesses in the same geographic region can form an association for the purpose of providing self-funded health benefit plans to employees and their dependents; and
3. Ensure that employees participating in such self-funded arrangements are protected by imposing certain safeguards, including oversight by the Superintendent of Insurance.

LD 1804 has been carried over to the Second Regular Session.

LD 1821 Resolve, to Require Further Study of the Effect and Cost Impact of RESOLVE 69 **Mental Illness on the State and Private Health Insurance** **EMERGENCY**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|----------------------------------|
| | | H-684 DUDLEY S-393 GOLDTHWAIT |

LD 1821 was reported out pursuant to joint order by the Joint Standing Committee on Banking and Insurance. The resolve proposed to require the Department of Mental Health, Mental Retardation and Substance Abuse Services, the Department of Human Services, the Department of Education and the Department of Corrections to study the cost savings to the state budget that may result from legislation requiring parity coverage for mental illness and mental disorders, eating disorders and substance abuse. The resolve would also require the Department of Professional and Financial Regulation, Bureau of Insurance to collect information relating to the denial of claims for coverage of mental illness over the last 5 years. The resolve required the Bureau of Insurance to compile this information on cost savings and claims denials in a report to the Joint Standing Committee on Banking and Insurance by January 15, 2002.

The resolve also included an allocation section and a fiscal note.