

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

*State Of Maine
121st Legislature*

First Regular Session

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

July 2003

Members:

Sen. Lloyd P. LaFountain III, Chair

Sen. Neria R. Douglass

Sen. Arthur F. Mayo III

Rep. Christopher P. O'Neil, Chair

Rep. Marilyn E. Canavan

Rep. Joseph C. Perry

Rep. Bonita J. Breault

Rep. Anne C. Perry

Rep. Kevin J. Glynn

Rep. Florence T. Young

Rep. Lois A. Snowe-Mello

Rep. Michael A. Vaughan

Rep. Richard G. Woodbury

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 Office Of Fiscal And Program Review

121st Maine Legislature First Regular Session

Summary Of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint 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>CARRIED OVER PURSUANT TO HP 1212</i>	<i>Bills carried over to the 2nd Regular Session</i>
<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>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 that the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

David C. Elliott, Director
Offices located in Room 215 of the Cross Office Building

Joint Standing Committee on Insurance and Financial Services

LD 1176 **An Act To Provide Affordable Health Care Insurance to All of the State's Citizens** **ONTP**

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

LD 1176 proposed to allow health insurance carriers to offer a simple package of basic health care insurance that is affordable for more of the citizens of the State. The bill would repeal existing state-mandated benefits, mandated health insurance coverage and mandated offerings of health benefits. LD 1176 also corrects cross-references necessitated by the repeal of the various provisions of law.

LD 1181 **An Act To Provide Fair Hearings in Health Insurance Rate Proceedings** **CARRIED OVER**

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

LD 1181 proposes to require that a hearing be held before proposed changes in health insurance rates that exceed the Consumer Price Index by 100% or more are approved. It also proposed to change the standard of review from whether the rates are excessive to whether the rates are unreasonable relative to the benefits and coverage offered. The bill would require that the hearing be held before an impartial administrative hearing officer who is not employed by the Bureau of Insurance. The bill also proposed to require that actuarial staff at the Bureau of Insurance prepare a report for use in the hearing. The bill would apply to both individual and group health insurance policies and to all carriers, including health maintenance organizations.

LD 1181 has been carried over to the Second Regular Session, although related provisions that would require approval of premium rates for small group health insurance plans and that a hearing be held before proposed changes are approved were incorporated into Public Law 2003, chapter 469. See summary of LD 1611.

LD 1190 **An Act To Create the Comprehensive Health Insurance Risk Pool Association** **CARRIED OVER**

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

LD 1190 proposes to create the Comprehensive Health Insurance Risk Pool Association. The purpose of the association is to spread the cost of high-risk individuals among all health insurers. The bill funds the high-risk pool through an assessment on insurers. The bill would require the State to submit an application to the Federal Government for federal assistance to create a high-risk pool.

The bill also proposes to remove the guaranteed issuance requirement for individual health plans effective October 1, 2004.

Joint Standing Committee on Insurance and Financial Services

LD 1190 has been carried over to the Second Regular Session, although a related provision regarding the establishment of a high-risk pool was incorporated into Public Law 2003, chapter 469. See summary of LD 1611.

LD 1200 An Act To Allow an Appeal for Cancellation of Commercial Insurance ONTP

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

LD 1200 proposed to bring commercial insurance contracts under the property insurance cancellation control laws.

LD 1239 An Act Concerning Universal Health Insurance CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL LAFOUNTAIN		

In Part A, LD 1239 proposes to establish the Maine Universal Health Care Plan. It establishes the Maine Universal Health Care Agency as an independent agency to administer the plan. Under the plan, enrollees are provided health care coverage after the policy limits of their primary health care policy have been reached. Coverage under the plan is contingent upon the enrollee's having secured coverage for primary and preventive care either individually or through the enrollee's employer. The primary health care policy must be approved by the Bureau of Insurance.

In Part B, the bill proposes to establish a new nonprofit hospital and medical service organization to compete with other carriers in Maine's health insurance market. The bill requires that the organization be organized in accordance with the Maine Revised Statutes, Title 24.

In Part C, the bill proposes to establish a 5% payroll tax on wages and earnings, including self-employed earnings, and dedicates that tax revenue to the Maine Universal Health Care Fund.

LD 1347 An Act To Clarify the Authority of the Attorney General To Seek Restitution and To Require the Superintendent of Insurance To Investigate Certain Insurance Practices PUBLIC 310

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT O'NEIL	OTP-AM	S-155

LD 1347 proposed to clarify that, in those instances when the Superintendent of Insurance has notified the Attorney General of a violation of the insurance laws, the Attorney General is required to institute actions against the violator, including actions requiring restitution. It also proposed to require the superintendent to investigate and report on certain insurance practices, including changes made in underwriting standards, product design and benefit structure of health, life, personal and commercial insurance products. The superintendent is required to submit the