

MAINE STATE LEGISLATURE

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*State Of Maine
121st Legislature*

*Second Regular Session and
Second Special Session*

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

May 2004

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:

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Maine State Legislature



*Office Of Policy And Legal Analysis
Office Of Fiscal And Program Review*

*121st Maine Legislature
Second Regular Session and
Second Special 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/billsumm.htm).

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:

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
P&S XXX.....	Chapter # of enacted Private & Special Law
PASSED.....	Joint Order passed in both bodies
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 that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is April 30, 2004; and non-emergency legislation enacted in the Second Special Session is July 30, 2004. Four bills (LD's 1572, 1629, 1636 and 1637) that were considered at the First Special Session in August 2003 are also included in these summaries.

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

Joint Standing Committee on Insurance and Financial Services

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

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

LD 1181, which was carried over from the First Regular Session, proposed to require that the Bureau of Insurance hold a hearing before approving any proposed change in individual and group health insurance rates that exceed the Consumer Price Index by 100%. The bill also would require that the hearing be held before an impartial administrative hearing officer who is not employed by the Bureau of Insurance and that actuarial staff at the Bureau of Insurance prepare a report for use in the hearing.

LD 1181 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.

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

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

LD 1190, which was carried over from the First Regular Session, proposed to create the Comprehensive Health Insurance Risk Pool Association to provide coverage for high-risk individuals. The bill would fund the high-risk pool through an assessment on all health insurers. The bill proposed to require the State to submit an application to the Federal Government for federal assistance to create a high-risk pool.

LD 1190 would also remove the guaranteed issuance requirement for individual health plans effective October 1, 2004.

Committee Amendment "A" (S-384) is the minority report of the committee. The proposed amendment retains the Comprehensive Health Insurance Risk Pool Association to provide coverage for high-risk individuals and spread the cost of that coverage among all health insurance carriers doing business in the State. The amendment proposed to partially fund the high-risk pool by requiring health insurance carriers to pay an assessment based on the number of persons covered by that carrier. An individual insured through the high-risk pool may be charged a premium up to 150% of the average premium rates charged by carriers for similar health insurance plans.

The amendment would repeal the guaranteed issuance requirement in the individual health insurance market. The amendment also proposed to broaden the community rating laws to allow carriers to vary premiums on the basis of age within a maximum rate differential on a ratio of 4 to 1 and on the basis of health status and tobacco use within

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a maximum rate differential on a ratio of 1.5 to 1. The provisions relating to guaranteed issuance and community rating take effect February 1, 2005. Committee Amendment "A" was not adopted.

LD 1239

An Act Concerning Universal Health Insurance

ONTP

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

LD 1239, which was carried over from the First Regular Session, proposed to establish the Maine Universal Health Care Plan and the Maine Universal Health Care Agency, as an independent agency, to administer the plan. Under the proposed plan, enrollees are provided health care coverage after the policy limits of their primary health care policy have been reached. Coverage would be 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. The bill proposed to establish a 5% payroll tax on wages and earnings, including self-employed earnings, and dedicate that tax revenue to the Maine Universal Health Care Fund.

LD 1239 also proposed to establish a new nonprofit hospital and medical service organization to compete with other carriers in Maine's health insurance market. The bill would require that the organization be organized in accordance with the Maine Revised Statutes, Title 24.

LD 1353

An Act To Ensure Women's Health Care Coverage for All Maine Women

**PUBLIC 517
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON J EDMONDS	OTP-AM	H-648

LD 1353, which was carried over from the First Regular Session, proposed to ensure that Maine's women's health care coverage insurance mandates provide coverage to women living in Maine who are covered by an insurance certificate of coverage issued by an insurance carrier located in another state. Part A makes these changes in the section of the insurance code regulating nonprofit hospital and medical service organizations. Part B makes these changes in the section of the insurance code regulating individual health insurance policies. Part C makes these changes in the section of the insurance code regulating group health insurance policies. Part D makes these changes in the section of the insurance code regulating health maintenance organizations in Maine.

Committee Amendment "A" (H-648) replaced the bill. Part A proposed to extend the application of certain mandated health insurance benefits to certificates providing coverage to Maine residents that are issued by an out-of-state group health plan. These mandated benefits are coverage for newborns from the moment of birth, coverage for screening Pap tests, coverage for a self-referred annual gynecological exam and coverage for diabetic equipment and supplies. Part A would apply to all policies, contracts and certificates issued or renewed on or after July 1, 2004.

Part B of the amendment proposed to clarify the application of currently mandated benefits to certificates.