

MAINE STATE LEGISLATURE

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*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:

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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 1507

**An Act To Clarify and Update the Laws and Rules Related to
Health Care**

**PUBLIC 428
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CANAVAN MAYO	OTP-AM	H-515

LD 1507 proposed to do the following.

Part A facilitates the updating of small group and individual health insurance policies by permitting limited minor changes at renewal with 60 days' notice to policyholders and insureds.

Part B strengthens and clarifies the law requiring notice of termination of a group health plan. It expands the requirement to apply to terminations other than for nonpayment of premium and to apply to dental insurance. It also requires the notice to be sent to each insured's last known home address and repeals the requirement to send copies of termination notices to the Department of Professional and Financial Regulation, Bureau of Insurance and to the Department of Labor, Bureau of Labor Standards.

Part C expands the scope of the law governing 3rd-party administrators to include entities that administer employee benefit excess insurance.

Part D clarifies that the requirement for health carriers to provide experience data to large groups applies with respect to former policyholders as well as current policyholders.

Part E clarifies the rate information that must be filed with the Bureau of Insurance with respect to group health insurance.

Part F repeals the provision making long-term care insurance rates effective for only 3 years and clarifies the rate filing requirements for individual health insurance to specify that they apply to association group coverage that falls within the definition of individual health plan.

Part G corrects several references to the long-term care insurance laws.

Part H makes several housekeeping corrections. It clarifies the definition of "private purchasing alliance" by removing a reference to licensure. It removes reference to "2 or more carriers" in the purchasing alliance law, consistent with recent amendments that permit purchasing alliances to use a single carrier. It clarifies that a provision of the individual health plan law applies to certificates as well as policies. It exempts policies from the statute concerning arbitration if they are subject to the newer statute concerning external review. It corrects a reference to a tax form. It clarifies the definition of "downstream risk arrangement." Lastly, it corrects a reference in the provision concerning discounts on Medicare supplement insurance.

Committee Amendment "A" (H-515) proposed to make the changes to the notification provisions in Part B of the bill consistent with Public Law 2003, chapter 156. The amendment also clarified that the requirement that loss information be provided to a former group policyholder upon request does not apply to policyholders whose

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coverage terminated more than 18 months prior to the request. The amendment also would make the rule-making process related to the community health program routine technical rules rather than major substantive rules.

The amendment also added an emergency preamble and emergency clause to the bill.

Enacted Law Summary

Public Law 2003, chapter 428 does the following:

Part A facilitates the updating of small group and individual health insurance policies by permitting limited minor changes at renewal with 60 days' notice to policyholders and insureds.

Part B strengthens and clarifies the law requiring notice of termination of a group health plan. It expands the requirement to apply to terminations other than for nonpayment of premium and to apply to dental insurance. It also requires the notice to be sent to each insured's last known home address and repeals the requirement to send copies of termination notices to the Department of Professional and Financial Regulation, Bureau of Insurance and to the Department of Labor, Bureau of Labor Standards.

Part C expands the scope of the law governing 3rd-party administrators to include entities that administer employee benefit excess insurance.

Part D clarifies that the requirement for health carriers to provide experience data to large groups applies with respect to former policyholders whose coverage terminated within 18 months of the request.

Part E clarifies the rate information that must be filed with the Bureau of Insurance with respect to group health insurance.

Part F repeals the provision making long-term care insurance rates effective for only 3 years and clarifies the rate filing requirements for individual health insurance to specify that they apply to association group coverage that falls within the definition of individual health plan.

Part G corrects several references to the long-term care insurance laws.

Part H makes several housekeeping corrections. It clarifies the definition of "private purchasing alliance" by removing a reference to licensure. It removes reference to "2 or more carriers" in the purchasing alliance law, consistent with recent amendments that permit purchasing alliances to use a single carrier. It clarifies that a provision of the individual health plan law applies to certificates as well as policies. It exempts policies from the statute concerning arbitration if they are subject to the newer statute concerning external review. It corrects a reference to a tax form. It clarifies the definition of "downstream risk arrangement." Lastly, it corrects a reference in the provision concerning discounts on Medicare supplement insurance.

Part I makes the rule-making process related to the community health program routine technical rules rather than major substantive rules.

Part I of Public Law 2003, chapter 428 was enacted as an emergency measure effective June 5, 2003; Parts A to H of Public Law 2003, chapter 428 become effective September 4, 2003.