

MAINE STATE LEGISLATURE

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***State Of Maine
121st Legislature***

First Regular Session

Bill Summaries

***Joint Select Committee
on
Health Care Reform***

July 2003

Members:

***Sen. Michael F. Brennan, Chair
Sen. Lloyd P. LaFountain III
Sen. Arthur F. Mayo III
Sen. Karl W. Turner***

***Rep. Christopher P. O'Neil, Chair
Rep. Thomas J. Kane
Rep. Richard H. Mailhot
Rep. Benjamin F. Dudley
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Rep. Florence T. Young***

Staff:

***Colleen McCarthy Reid, Legislative Analyst
Jane Orbeton, Senior Analyst
Lucia Nixon, 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 Select Committee on Health Care Reform

The law requires health care practitioners to submit claims to health insurance carriers in electronic format beginning October 16, 2003. Until October 16, 2005, health care practitioners with fewer than 10 full-time equivalent employees are not required to submit claims electronically. After that date, those practitioners may apply to the Superintendent of Insurance for an exemption from the electronic claims filing requirement.

The law requires the Superintendent of Insurance to adopt rules for the filing of annual report supplements by health insurers and health maintenance organizations. It requires small group health plans to submit rate filings to the Superintendent of Insurance and imposes rate hearings and rate reviews on those filings unless a carrier opts to guarantee a 78% loss ratio or refund excess premiums. It requires individual and small group health insurance rates to reflect savings offset payments and any recovery of those offsets in premium rates. It requires large group health carriers to file annually certification that rating practices and methods meet actuarial principles and that savings offset payments and recovery offsets have been properly included in the filing. It allows managed care health plans to apply to the Superintendent of Insurance for permission to offer health plans with financial incentive provisions to encourage the use of designated providers of specialty and hospital care if the plan does not exceed the Bureau of Insurance Rule Chapter 850 travel standards by 100% and meets quality criteria. The Superintendent of Insurance is required to adopt rules relating to quality criteria by January 1, 2004 and submit those rules for legislative review before final adoption. The provision regarding managed care plans offering health plans with financial incentive provisions is repealed on July 1, 2007 unless continued by the Legislature. It requires the Superintendent of Insurance to conduct a study of the impact of a cap of \$250,000 on noneconomic damages in medical malpractice lawsuits on the cost of medical malpractice insurance.

The law sets voluntary constraints on financial growth for a period of one year by health care practitioners, hospitals and health insurance carriers. It also requires the Governor's Office of Health Policy and Finance and the Maine Hospital Association to agree on a timetable, format and methodology for reporting on hospital charges, cost efficiency and consolidated operating margins. It requires the Department of Human Services to conduct a comprehensive study of MaineCare reimbursement rates and to report by January 15, 2005. It establishes the Commission to Study Maine's Hospitals and requires that commission to report by November 1, 2004.

The law requires the Governor to work to improve access to care for veterans and to improve Medicare reimbursements for Maine providers and establishes a task force to study health care services provided to Maine veterans.

The law restores \$500,000 in General Fund money to restore the physician incentive payment program within the MaineCare program.

LD 1612

RESOLUTION, Proposing an Amendment to the Constitution of Maine to Preserve the Fund for a Healthy Maine CARRIED OVER

<u>Sponsor(s)</u> COLWELL YOUNGBLOOD	<u>Committee Report</u>	<u>Amendments Adopted</u> H-568
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LD 1612 proposes to amend the Constitution of Maine to ensure that the Fund for a Healthy Maine is used for health-related purposes only. The resolution prevents the tobacco settlement money from being used to replace existing funds outside of the Fund for a Healthy Maine.

Joint Select Committee on Health Care Reform

Committee Amendment "A" (H-568) is the majority report of the committee. It proposed to clarify language on income to the Fund for a Healthy Maine and language on the intent not to supplant appropriations from the General Fund or allocations from other sources.

Committee Amendment "B" (H-569) is a minority report of the committee. It proposed to incorporate the language of the majority report and add language to allow the Legislature to override the amendment with a 2/3 vote of the elected membership in both Houses. Committee Amendment "B" was not adopted.

House Amendment "A" (H-576) proposed to add to the constitutional resolution the requirement that the balance of revenue raised from the Maine State Lottery, after payment of winnings, payment of expenses of operating the lottery and payment to the Maine Outdoor Heritage Fund, be used exclusively to fund primary and secondary education costs. House Amendment "A" was not adopted.

House Amendment "B" (H-580) proposed to add to the constitutional resolution the protection of all dedicated revenue funds and to prohibit the use of those dedicated funds for any purpose other than that for which the revenue is dedicated unless the Legislature, by a 2/3 vote, allocates or reserves the money in the dedicated revenue fund for another purpose. House Amendment "B" was not adopted.

LD 1612 was recommitted to the Joint Select Committee on Health Care Reform and has been carried over to the Second Regular Session.