

MAINE STATE LEGISLATURE

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*State Of Maine
122nd Legislature*

*First Regular Session and
First Special Session*

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

August 2005

Staff:

*Colleen McCarthy Reid, Legislative Analyst
Lucia A. Nixon, Legislative Analyst*

*Office of Policy and Legal Analysis
13 State House Station
Augusta, ME 04333
(207) 287-1670*

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Maine State Legislature

OFFICE OF POLICY & LEGAL ANALYSIS

13 State House Station, Room 215 Cross State Office Building
Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

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. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included 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 June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

Joint Standing Committee on Insurance and Financial Services

LD 600 proposed to require a health insurance carrier that is the primary payor of an undisputed insurance claim to make the payment within 90 days. If the payment is not made, the bill would permit a health care provider to assume the claim has been denied and submit that claim to a secondary payor such as the MaineCare or Medicare program. The bill proposed to require the MaineCare program to pay claims submitted by a provider that have not been paid by the primary carrier within 90 days if MaineCare qualifies as a secondary payor of the claim. The bill also would require that a health care provider reimburse the secondary payor for any payments if the primary carrier pays any claims after 90 days. The bill also proposed to direct carriers to report annually regarding claims not paid within 90 days and the reasons for the delays.

Committee Amendment "A" (H-102) replaced the bill. The amendment proposed to clarify that in cases where coverage may be available from more than one carrier, a claimant may file a claim with each carrier at the same time. It also clarified that each carrier must make an independent determination as to payment or denial of the claim without delaying that determination until the other carrier has acted. The amendment also proposed to require that any payments made by a carrier must be made in accordance with current rules relating to coordination of benefits.

Enacted law summary

Public Law 2005, chapter 58 clarifies that, in cases where coverage may be available from more than one health insurance carrier, a claimant may file a claim with each carrier at the same time. It also clarifies that each carrier must make an independent determination as to payment or denial of the claim without delaying that determination until the other carrier has acted. The law also requires that any payments made by a carrier must be made in accordance with current rules relating to coordination of benefits.

LD 743 **An Act To Streamline the Appeals Process for the Determination of Certain Health Insurance Benefits** **ONTP**

<u>Sponsor(s)</u> MAYO PERRY A		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 743 proposed to eliminate the requirement that health insurance carriers offer members in the nongroup market nonbinding arbitration for the determination of certain benefits.

LD 767 **An Act To Improve the Affordability of Health Insurance** **PUBLIC 125**

<u>Sponsor(s)</u> GLYNN		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-211
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LD 767 proposed to prohibit the adoption of new health insurance mandates unless the rate of increase in the Consumer Price Index for medical care services remains at zero or less than zero for 2 consecutive years.

Committee Amendment "A" (H-211) replaced the bill. The amendment proposed to require that the Department of Professional and Financial Regulation, Bureau of Insurance include a comparison of the rate of increase in the Consumer Price Index for medical services to the rate of increase in the Consumer Price Index for the previous year and current year in any review and evaluation prepared on a mandated health benefit proposal.

Joint Standing Committee on Insurance and Financial Services

Enacted law summary

Public Law 2005, chapter 125 requires that the Bureau of Insurance include a comparison of the rate of increase in the Consumer Price Index for medical services to the rate of increase in the Consumer Price Index for the previous year and current year in all reports evaluating the social and financial impact and medical efficacy of proposed mandated health benefit legislation submitted to the Legislature.

LD 770 **An Act To Provide Disclosure Related to Workers' Compensation Insurance** **ONTP**

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

LD 770 proposed to require that workers' compensation insurers disclose to employers the basis for scheduled rating and other incentive adjustments to their premiums. It also would require that, upon request when a policy is issued, companies provide employers with information regarding the status and justification of subrogation decisions during the previous year.

LD 888 **An Act To Require Health Insurers and Health Maintenance Organizations To Issue Uniform Prescription Drug Benefit Cards** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO	ONTP MAJ	
PERRY A	OTP MIN	

LD 888 proposed to require that health insurers and health maintenance organizations issue uniform prescription drug cards with standardized information relating to the prescription drug benefits provided under a health plan. The bill allows the standard information to be included on an existing identification card used by an insurer or health maintenance organization instead of requiring that the insurer or health maintenance organization issue a separate card. The bill would apply to all policies, contracts and certificates issued on or after January 1, 2006.

LD 898 **An Act To Preserve Dirigo Health** **ONTP**

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

LD 898 is a concept draft pursuant to Joint Rule 208. This bill proposed to make the following changes to the laws governing health insurance and the Dirigo Health program:

1. It would require that, rather than contracting out for health insurance services, Dirigo Health offer health insurance provided by a private health insurance company that would be modeled on Maine Employers' Mutual Insurance Company;