

# 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*

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Maine State Legislature

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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*

The bill would remove a provision that the assessment be distributed on a prorated basis. The assessment is made as a percentage of premium. The bill proposed to reduce the maximum assessment rate of 1.25% to .75% effective July 1, 2006. The assessment rate will be adjusted automatically based upon the level of excess funds that have accumulated. The bill also would provide that the program fund balance may be used to pay assistance to qualified eligible physicians in prior years for which there were insufficient funds. If all prior years' eligible qualified physicians have received assistance, any excess funds must be carried forward to subsequent plan years as part of the program fund balance.

The bill proposed to require, rather than permit, an insurer to invest collected assessments.

The bill also proposed to increase the maximum assistance level to \$15,000 from \$10,000.

### *Enacted law summary*

Public Law 2005, chapter 122 clarifies that a physician, hospital or physician's employer that does not purchase insurance is considered self-insured for the purposes of the Rural Medical Access Program.

The law limits the responsibility to pay assessments to physicians licensed and practicing medicine in this State and removes the requirement that the Superintendent of Insurance certify that all physicians, hospitals and physician's employers have paid the assessment.

The law removes a provision that the assessment be distributed on a prorated basis. The maximum assessment as a percentage of premium, will be reduced to .75% from 1.25% effective July 1, 2006. The assessment rate will be adjusted automatically based upon the level of excess funds that have accumulated. The law also provides that the program fund balance may be used to pay assistance to qualified eligible physicians in prior years for which there were insufficient funds. If all prior years' eligible qualified physicians have received assistance, any excess funds must be carried forward to subsequent plan years as part of the program fund balance.

The law requires, rather than permits, an insurer to invest collected assessments.

Public Law 2005, chapter 122 also increases the maximum assistance level available to eligible qualified physicians to \$15,000 from \$10,000.

**LD 1475**

### **An Act To Establish a Simplified Package of Health Care Insurance Affordable by All**

**ONTP**

Sponsor(s)  
JOY

Committee Report  
ONTP

Amendments Adopted

LD 1475 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 proposed to repeal existing state-mandated benefits, mandated health insurance coverage and mandated offerings of health benefits. The bill also makes cross-reference corrections necessitated by the repeal of various provisions of law.