

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

*State Of Maine
122nd Legislature*

*First Regular Session and
First Special Session*

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

August 2005

Members:

Sen. Nancy B. Sullivan, Chair

Sen. Arthur F. Mayo III

Sen. Peter Mills

Rep. Anne C. Perry, Chair

Rep. Lisa T. Marrache

Rep. John R. Brautigam

Rep. Charles William Harlow

Rep. Donald E. Pilon

Rep. Kevin J. Glynn

Rep. Michael A. Vaughan

Rep. R. Kenneth Lindell

Rep. Jonathan B. McKane

Rep. Wesley E. Richardson

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



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
ONT P	Ought Not To Pass report accepted
OT P ND	Committee report Ought To Pass In New Draft
OT P 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

4. It provides that when someone is covered under more than one health insurance policy, payments by the primary insurer must be counted toward the deductible by the secondary insurer.
5. It amends the law concerning the guaranteed loss ratio option for small group health insurers to change the minimum threshold for eligibility from 1,000 member months to 1,000 members. This change does not apply to carriers already using this option.
6. It amends the law that requires group health carriers to notify policyholders 60 days in advance of any rate increase to specify that the notice must state that the increase is subject to regulatory approval when that is the case.
7. It amends the laws concerning guaranteed renewal of health insurance to comply with federal law with respect to coverage through associations.
8. It amends the continuity of coverage law to clarify that a waiting period is not counted as a break in coverage nor is it counted as a period of actual coverage except in limited circumstances, consistent with federal law.
9. It clarifies the laws concerning categories of mental health providers that must be covered to the same extent as physicians for services within the scope of their licenses.

LD 1523

An Act To Create Lower-cost Health Insurance Options

ONTP

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

LD 1523 proposed to require health insurance carriers to offer a catastrophic health plan as alternative coverage for each of its group health coverage plans. The bill requires the Superintendent of Insurance to define, by rule, the requirements of the catastrophic plan. The bill also requires that employers providing health insurance coverage to their employees offer their employees the option of choosing the catastrophic plan. To the extent allowed by federal and state law, the bill allows carriers and employers to establish health savings accounts in conjunction with the catastrophic plan.

LD 1523 also proposed to require the State Employee Health Insurance Program to offer a high-deductible health plan option compatible with health savings accounts.

LD 1545

An Act To Establish a Cooperative Approach to Health Care Coverage

ONTP

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

LD 1545 proposed to do the following:

Part A expands the Dirigo Health Insurance program to all residents of this State starting January 1, 2006. The bill requires that the Board of Directors of Dirigo Health develop a benefit package compatible with federally

Joint Standing Committee on Insurance and Financial Services

authorized health savings accounts and provide the opportunity for health savings accounts for all eligible individuals. The bill also limits the out-of-pocket maximums, including deductibles, copayments and coinsurance, under the Dirigo Health Insurance program to 10% of an eligible individual's adjusted gross income. The bill requires Dirigo Health to establish the Enrollee Hardship Fund to provide financial assistance to eligible individuals to meet any required out-of-pocket maximums under the Dirigo Health Insurance program.

Financing for coverage under the Dirigo Health Insurance program is provided through an individual health assessment. Beginning January 1, 2006, each resident individual and nonresident individual subject to income tax liability must pay an individual health assessment of 5% for the first \$150,000 of that individual's adjusted gross income and an additional 1% of any portion of that adjusted gross income that exceeds \$150,000 unless the individual has other coverage through at least a basic catastrophic policy and is not enrolled in Dirigo Health. The bill repeals the provision in current law relating to savings offset payments by health insurers and 3rd-party administrators.

Part B and Part C correct cross-references necessitated by changes in this bill.

LD 1561

Resolve, To Study the Feasibility of Establishing an Insurance Fraud Unit within the Bureau of Insurance

RESOLVE 47

Sponsor(s)
PERRY A

Committee Report
OTP-AM

Amendments Adopted
H-395

LD 1561 proposed to create the Bureau of Insurance, Insurance Fraud Unit, overseen by the Board of Insurance Fraud and administered by a director. The personnel of the Insurance Fraud Unit would include the director, a chief investigator, field investigators, clerical staff and an assistant attorney general permanently assigned to the unit. Assistant district attorneys may also be temporarily assigned to the Insurance Fraud Unit. The purpose of the Insurance Fraud Unit is to respond to complaints of and investigate and prosecute instances of insurance fraud. This bill proposed to require insurers and self-insureds in the State to create special investigation groups within their organizations that have at least one licensed private investigator who is either an employee or independent contractor to report any suspected insurance fraud to the Insurance Fraud Unit. Personnel of the Insurance Fraud Unit have law enforcement powers to carry out their investigatory duties, including the power to subpoena, administer oaths, execute warrants and request court orders as part of their investigations. The Insurance Fraud Unit is funded by a 25¢ fee on certain insurance policies and the Board of Insurance Fraud is authorized to borrow up to 30% of the start-up costs of the Insurance Fraud Unit.

Committee Amendment "A" (H-395) changed the title and replaced the bill with a resolve. The amendment proposed to require the Superintendent of Insurance to conduct a feasibility study regarding the establishment of an insurance fraud unit within the Department of Professional and Financial Regulation, Bureau of Insurance to address fraudulent conduct of consumers, insurance producers and insurers. The bill proposed to establish an insurance fraud unit. The amendment would require the superintendent to submit a report on the feasibility study, and any proposed legislation, to the Joint Standing Committee on Insurance and Financial Services by December 5, 2005 and authorize the committee to report out a bill following its review of the report.

Enacted law summary

Resolve 2005, chapter 47 requires the Superintendent of Insurance to conduct a feasibility study regarding the establishment of an insurance fraud unit within the Bureau of Insurance to address fraudulent conduct of