

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
123<sup>RD</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills and adopted amendments and laws enacted or finally passed during the First Regular Session of the 123<sup>rd</sup> Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON INSURANCE AND  
FINANCIAL SERVICES**

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# STATE OF MAINE

123<sup>RD</sup> LEGISLATURE

FIRST REGULAR SESSION

## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS



This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 123<sup>rd</sup> Maine Legislature, which was in session from December 6, 2006 to June 21, 2007.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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:

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 (or Accepted ONTP report).....	Ought Not To Pass report accepted
OTP-ND.....	Committee report Ought To Pass In New Draft
P&S XXX.....	Chapter # of enacted Private & Special Law
PASSED.....	Joint Order passed in both bodies
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 that the effective date for non-emergency legislation enacted in the First Regular Session is **September 20, 2007**. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

## *Joint Standing Committee on Insurance and Financial Services*

limited right to sue the Dirigo Health Self-administered Plan. The law specifically waives the State's defense of immunity under the Maine Tort Claims Act.

8. The law requires that the self-administered plan meet the requirements of the Maine Insurance Code relating to the privacy of insurance information, unfair discrimination against victims of domestic abuse and unfair discrimination on the basis of genetic information or genetic testing.

Public Law 2007, chapter 447 also permits licensed insurance producers with health authority to sell the Dirigo Health Program insurance products if the producer meets certain training requirements. Additionally, the law exempts producers from the appointment requirement solely for purposes of selling the Dirigo Health Program insurance products and holds a carrier underwriting Dirigo Health Program coverage harmless from liability for any actions of such producers.

### **LD 439      An Act To Reform the Dirigo Health Program**

**ONTP**

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

LD 439 is a concept draft pursuant to Joint Rule 208. This bill proposes 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;
2. It would require that premiums for health insurance under Dirigo Health be set at 5% of the individual's income;
3. It would repeal guaranteed issue requirements;
4. It would create a high-risk pool;
5. It would establish a schedule of required copayments for health care services;
6. It would repeal all state-mandated health insurance coverage;
7. It would require the Executive Director of Dirigo Health to maximize use of Medicaid funds;
8. It would ensure portability of health insurance policies; and
9. It would provide that payments for health insurance be tax deductible.

### **LD 456      An Act To Protect Holders of Small Bank Accounts**

**ACCEPTED ONTP  
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HINCK	ONTP MAJ OTP-AM MIN	

## *Joint Standing Committee on Insurance and Financial Services*

LD 456 requires financial institutions to send a registered letter to the last known address of an account holder of an inactive account before disposing of the money in the account pursuant to the Uniform Unclaimed Property Act. If the financial institution does not send a registered letter, the institution is liable to the account holder for the value of the account when the money was disposed.

### **Committee Amendment "A" (H-40)**

This amendment is the minority report of the committee and replaces the bill. The amendment requires financial institutions to send written notice by certified mail with return receipt requested to account holders of unclaimed accounts and wait at least 30 days after sending the notice before disposing of the money in the account according to the Uniform Unclaimed Property Act. The amendment does not require a notice to be sent if the financial institution has a reasonable belief that the last known address of the account holder is not accurate. The amendment also permits the financial institution to recoup the costs associated with mailing a written notice from the money in the unclaimed account.

Committee Amendment "A" was not adopted.

### **LD 476      An Act To Establish a Reinsurance Fund To Expand Health Insurance Coverage for Individuals and Small Groups      ONTP**

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

LD 476 establishes the Health Insurance Individual and Small Group Reinsurance Fund to provide reimbursement of certain high-cost claims for persons covered under individual and small group health plans. The fund would reimburse carriers for 90% of claims paid between \$25,000 and \$75,000 for each enrollee covered by the carrier on a calendar year basis.

### **LD 526      An Act To Increase Eligibility for the Dirigo Health Program      ONTP**

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

LD 526 reduces the number of hours an employee of an eligible business must work per week from 20 to 10 in order to be eligible to enroll in the Dirigo Health Program. The bill also requires the Board of Directors of Dirigo Health to adopt a rule that allows an eligible business to include employees who work on a temporary, substitute or seasonal basis as eligible to enroll in the Dirigo Health Program so long as inclusion of such employees does not result in the reduction of hours or the reduction or elimination of coverage for eligible employees working more than 10 hours per week.

### **LD 578      An Act To Help Maine People Be Informed Medical Consumers      ONTP**

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

LD 578 requires health insurance carriers to provide coverage for an initial consultation with a primary care provider to assist an enrollee in selecting a primary care provider. The bill requires carriers to provide coverage