

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
FIRST REGULAR SESSION



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

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

July 2007

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STATE OF MAINE

123RD 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 123rd 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

LD 959 An Act To Require Insurers To Use Savings from Dirigo Health To Reduce Premiums

**ACCEPTED ONTP
REPORT**

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

LD 959 limits the amount of the savings offset payment paid by health insurers and 3rd-party administrators to support subsidies for the Dirigo Health Program to 75% of the aggregate measurable cost savings determined by the Board of Directors of Dirigo Health. The bill requires health insurers and providers to use best efforts to ensure that health insurance premiums and reimbursement rates reflect the recovery of all of the cost savings and savings offset payments paid by health insurers. The bill also requires the Board of Directors of Dirigo Health to adopt rules regarding the factors used to calculate aggregate measurable cost savings.

Committee Amendment "A" (H-530)

This amendment is the minority report of the committee and incorporates a fiscal note.

Committee Amendment "A" was not adopted.

LD 991 An Act To Clarify the Security Requirements for Self-insurers

PUBLIC 75

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

LD 991 clarifies that when a surety bond or a letter of credit held as security for a workers' compensation self-insurance program is drawn, the proceeds must be held and disbursed in a manner similar to a cash deposit. This bill also specifies that all group self-insurance trusts must have cash funding to no less than the 65% confidence level.

Enacted Law Summary

Public Law 2007, chapter 75 clarifies that when a surety bond or a letter of credit held as security for a workers' compensation self-insurance program is drawn, the proceeds must be held and disbursed in a manner similar to a cash deposit. The law also specifies that all group self-insurance trusts must have cash funding to no less than the 65% confidence level.

LD 1028 An Act To Reform Dirigo Health

ONTP

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

LD 1028 makes the following changes to the Dirigo Health Act.

The bill ends the terms of current members of the Board of Directors of Dirigo Health on September 30, 2007 and requires that the terms of new members be staggered. The bill retains the 5-member board but requires that 2 of the 5 members be elected by Dirigo plan enrollees by written ballot. The bill also adds 2 nonvoting members appointed by the Governor to represent labor and consumer advocacy interests.