

STATE OF MAINE 123rd Legislature Second Regular and First Special Sessions



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

JOINT STANDING COMMITTEE ON INSURANCE AND FINANCIAL SERVICES

May 2008

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STATE OF MAINE

123RD LEGISLATURE SECOND REGULAR & FIRST SPECIAL SESSIONS



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 Second Regular or First Special Sessions of the 123rd Maine Legislature.

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	
DIED BETWEEN BODIES	
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
INDEF PP	Bill Indefinitely Postponed; bill died
ONTP (or Accepted ONTP report)	Ought Not To Pass report accepted; bill died
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

The effective date for non-emergency legislation enacted in the Second Regular Session (R2) is June 30, 2008. The effective date for non-emergency legislation enacted in the First Special Session (S1) is July 18, 2008.¹ The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills. Any bill summarized in this document having an LD number less than 1932 was a bill carried over from the First Regular Session of the 123rd Legislature.

¹ The session in which each law was enacted or finally passed (R2 or S1) is included in Appendix C.

LD 658 An Act To Protect the Health of Infants

PUBLIC 595

Sponsor(s)	Committee Report	Amendments Adopted
CURTIS	OTP-AM MAJ ONTP MIN	H-891

LD 658 was carried over from the First Regular Session by joint order, H.P. 1369. LD 658 requires health insurance carriers doing business in the State to offer coverage for medically necessary infant formula in individual and group policies, contracts and certificates.

Committee Amendment "B" (H-891)

This amendment replaces the bill and is the majority report of the committee. The amendment requires health insurance carriers to provide coverage for amino acid-based elemental infant formulas for children 2 years of age and under, regardless of the delivery method, for the treatment of certain specified medical conditions when the infant formula is determined to be medically necessary. The amendment applies to all policies, contracts and certificates issued or renewed on or after January 1, 2009.

Enacted Law Summary

Public Law 2007, chapter 595 requires health insurance carriers to provide coverage for amino acid-based elemental infant formulas for children 2 years of age and under, regardless of the delivery method, for the treatment of certain specified medical conditions when the infant formula is determined to be medically necessary.

Public Law 2007, chapter 595 applies to all individual and group policies, contracts and certificates issued or renewed on or after January 1, 2009.

LD 1047 An Act To Lower the Cost of Health Insurance

ACCEPTED ONTP REPORT

Sponsor(s)	Committee Report	Amendments Adopted
VAUGHAN	ONTP MAJ OTP-AM MIN	

LD 1047 does the following.

Part A repeals the guaranteed issuance and community rating law for individual health plans effective April 1, 2008 and allows carriers to treat their pre-April 1, 2008 book of business separately from their post-April 1, 2008 book of business. It makes changes to the continuity of coverage laws to allow underwriting when someone switches carriers in the individual market. Part A creates a high-risk pool in the individual health insurance market called the Comprehensive Health Insurance Risk Pool Association. The purpose of the association is to spread the cost of high-risk individuals among all health insurers. The bill funds the high-risk pool through an assessment on insurers. An individual insured through the high-risk pool may be charged a premium up to 150% of the average premium rates charged by carriers for similar health insurance plans. The bill requires the State to submit an application to the Federal Government for federal assistance to create a high-risk pool.

Part A also removes the requirement that carriers offer standardized plans as defined in Bureau of Insurance Rule Chapter 750 in the individual market.

Part B repeals the community rating law for small group health plans effective January 1, 2009 and enacts in its

Joint Standing Committee on Insurance and Financial Services

place provisions governing the rating of small group health plans based on a model act from the National Association of Insurance Commissioners.

Part C allows a health maintenance organization to offer health plans that do not comply with geographic access standards if the health maintenance organization also offers health plans that comply with those access standards or offers a fee-for-service health plan.

Part D repeals the statutory provisions governing the State Health Plan and Certificate of Need.

Part E requires the Department of Professional and Financial Regulation, Bureau of Insurance to conduct a study of the State's rate and form filing laws and make recommendations for changes to reduce the costs and resources expended by health insurance carriers seeking regulatory approval of new health insurance products.

Committee Amendment "A" (H-666)

This amendment is the minority report of the committee. The amendment changes the name of the Comprehensive Health Insurance Risk Pool Association established in the bill to the Comprehensive Chronic Care Pool Association. The amendment adds a requirement that the Comprehensive Chronic Care Pool Association conduct a study of the possibility of offering a reinsurance pool for the small group health insurance market, including a comparison of the feasibility and costs of a reinsurance pool for small groups of 50 or fewer members and a reinsurance pool for small groups of 10 or fewer members. The report must be submitted to the joint standing committee of the Legislature having jurisdiction over health insurance matters by March 1, 2009, and legislation to implement the recommendations in the report may be submitted by the joint standing committee to the First Regular Session of the 124th Legislature. The amendment also changes dates in the bill to reflect the timeline based on enactment of the bill during the second regular session.

Committee Amendment "A" was not adopted.

LD 1072 Resolve, To Conduct an Updated Study of the Feasibility of Establishing a Single-payor Health Care System in the State

RESOLVE 216

Sponsor(s)	Committee Report	Amendments Adopted
BEAUDOIN	OTP-AM MAJ	H-644
SCHNEIDER	ONTP MIN	H-662 BRAUTIGAM

LD 1072 establishes a universal access health care system that offers a choice of coverage through organized delivery systems or through a managed care system operated by the Maine Health Care Agency and channels all health care dollars through a dedicated trust fund.

Part A of the bill does the following.

1. It establishes the Maine Health Care Plan to provide security through high-quality, affordable health care for the people of the State. All residents and nonresidents who maintain significant contact with the State are eligible for covered health care services through the Maine Health Care Plan. The plan is funded by the Maine Health Care Trust Fund, a dedicated fund receiving payments from employers, individuals and plan members and, after fiscal year 2007, from the 5¢ per package increase in the cigarette tax. The Maine Health Care Plan provides a range of benefits, including hospital services, health care services from participating providers, laboratories and imaging procedures, home health services, rehabilitative services, prescription drugs and devices, mental health services, substance abuse treatment services, dental services, vision appliances, medical supplies and equipment and hospice care. Health care services under the Maine Health Care Plan are providers. The plan is supplemental to other health care programs that may be available to plan members, such as Medicare, Medicaid, the federal Civilian