

MAINE STATE LEGISLATURE

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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
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**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:

<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed; bill died</i>
<i>ONTP (or Accepted ONTP report)</i>	<i>Ought Not To Pass report accepted; bill died</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

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.

Joint Standing Committee on Insurance and Financial Services

LD 1294 An Act To Establish a Health Care Bill of Rights

**DIED BETWEEN
HOUSES**

Sponsor(s)

TREAT

Committee Report

OTP-AM MAJ
ONTP MIN

Amendments Adopted

LD 1294 was carried over from the First Regular Session by joint order, H.P. 1369, after being recommitted before adjournment sine die of the First Regular Session.

LD 1294 makes the following changes to the laws regulating individual and small group health plans.

1. It increases the time period for advance notice of rate increases and rate changes to policyholders.
2. It requires the Department of Professional and Financial Regulation, Bureau of Insurance to hold public hearings when a rate increase is proposed.
3. It requires the Department of Professional and Financial Regulation, Bureau of Insurance to contract with an independent hearing officer to conduct rate hearings and to appoint an advocacy panel in those proceedings to represent the interests of consumers and the public.
4. It clarifies that all rate filings and information and documentation used to support the filings are public records and may be disclosed to the public.
5. It changes the standard of review that rates not be excessive to the standard that rates be reasonable and necessary.
6. It requires that rates not be approved unless certain standards are met and supported by evidence in the record.
7. It requires that carriers provide demonstrable proof and quantify the amount of any recovery of the savings offset payment through negotiations with health care providers as part of rate filings.
8. It increases the minimum loss ratios for individual and small group health plans and requires carriers to refund to policyholders the difference between the required loss ratio and the achieved loss ratio in instances when the carrier does not meet the minimum standards.
9. It repeals the exclusivity provision regarding an enrollee's right to sue under the Maine Revised Statutes, Title 24-A, chapter 56-A.

Committee Amendment "B" (H-650)

Committee Amendment "B" is the majority report of the committee and does the following.

1. It retains the provision of the bill that increases the time period for advance notice of rate increases and rate changes to policyholders from 60 to 90 days.
2. It requires that individual health insurance rates be filed for approval by the Superintendent of Insurance.
3. It authorizes the Attorney General to request that a hearing be held for an individual or small group rate filing. If a hearing is held, the Attorney General is authorized to contract for actuarial consultants, with the costs of the consultants up to \$50,000 paid by the insurer. If the Attorney General or another party has not intervened, the

Joint Standing Committee on Insurance and Financial Services

amendment requires the Department of Professional and Financial Regulation, Bureau of Insurance to appoint an advocacy panel to represent consumers in a rate hearing, with the costs of the panel to be paid by the insurer.

4. It clarifies that all rate filings and information and documentation used to support the filings, except for information relating to contracts between an insurer and a 3rd party, are public records and may be disclosed to the public.
5. It retains the provision of the bill that changes the standard of review that rates not be excessive to the standard that rates be reasonable and necessary.
6. It retains the provision of the bill that requires that rates not be approved unless certain standards are met and supported by evidence in the record.
7. It requires the Bureau of Insurance to develop consumer publications using the Office of the Public Advocate's "Ratewatcher" publication as a model and directs that a link to the Bureau of Insurance be added to the office's website.
8. It corrects cross-references to repealed law.

Committee Amendment "B" was adopted in the House, but was not adopted in the Senate.

House Amendment "A" (H-1018)

House Amendment "A" to Committee Amendment "B" removes language in the amendment that directs the insurance company making the rate filing to pay the cost of participation of consultants to the Attorney General. The amendment requires that a carrier provide summaries of coverage and premium rates for at least 5 individual policies with the highest level of enrollment and at least 5 small group policies with the highest level of enrollment on the carrier's publicly accessible website to allow consumers to review coverage offered under the policies. The amendment also requires the Bureau of Insurance to provide a link from its website to the publicly accessible websites of individual and small group insurance carriers.

House Amendment "A" to Committee Amendment "B" was adopted in the House, but was not adopted in the Senate.

LD 1667 An Act To Require Health Insurers To Provide Coverage for Nutritional Wellness and Prevention

ONTP

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

The bill requires that health insurance policies provide coverage for nutritional wellness and prevention that is shown to be beneficial to the enrollee. The bill defines "nutritional wellness and prevention" as nutritional measures and products, including dietary supplements, whose primary purposes are to enhance health, improve nutritional intake, strengthen the immune system, cleanse the body of toxins, address specific health needs and aid in resisting disease. The bill applies to all individual and group policies issued or renewed on or after January 1, 2008.

LD 1687 An Act To Increase Health Insurance Coverage for Front-line Direct Care Workers Providing Long-term Care

ONTP

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