

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
124<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during the First Regular Session of the 124<sup>th</sup> Maine Legislature coming from the

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

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**STAFF:**

COLLEEN MCCARTHY REID  
LEGISLATIVE ANALYST  
OFFICE OF POLICY AND LEGAL ANALYSIS  
13 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207) 287-1670

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# STATE OF MAINE

124<sup>TH</sup> 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 First Regular Session of the 124<sup>th</sup> 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:

CARRIED OVER.....	Carried over to a subsequent session of the Legislature
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; 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 First Regular Session of the 124<sup>th</sup> Legislature is September 12, 2009. 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*

"public records" information in filings that is protected health information required to be kept confidential by state or federal statute and descriptions of certain information in contracts between insurers and 3rd parties.

Senate Amendment "A" was not adopted.

### **Enacted Law Summary**

Public Law 2009, chapter 439 does the following.

1. Part A requires carriers to provide a toll-free telephone number that certificate holders can call to determine if the policy has been cancelled or reinstated after payment of the premium. It requires carriers to provide notice to plan enrollees regarding any exclusions or limits of coverage for childhood immunizations. Part A also requires carriers to post at least 5 individual and 5 small group health plans on its publicly accessible website for comparison purposes and sets minimum standards for explanation of benefits documents used by carriers.
2. Part B establishes standards for provider profiling programs used by carriers.
3. Part C permits the Attorney General to request a rate hearing regarding proposed rate increases for individual health plans.
4. Parts C and D clarify that all rate filings and supporting information filed by carriers are public records except for certain health information protected by state or federal law and information related to the terms and conditions and reimbursement provisions contained in contracts between carriers and third parties.
5. Part D authorizes the Superintendent of Insurance to adopt rules requiring small group health carriers to offer standardized small group health plans. Part D also authorizes the superintendent to study the impact of increases in the loss ratio in the individual market and the consideration of losses in all health insurance markets as part of rate filings.
6. Part E requires the Superintendent of Insurance to undertake market conduct examinations of health insurance companies no less frequently than once every 5 years, beginning in 2010. Part E requires all health insurance carriers to be examined at least once by 2015.
7. Part F requires a carrier replacing a previous carrier to honor any prior authorizations for prescription drugs for an enrollee undergoing a course of treatment until the replacement carrier conducts a review of that prior authorization with the enrollee's prescribing provider. It limits the requirement that a carrier replacing a previous carrier honor any prior authorizations for prescription drugs to a period not to exceed 6 months.

### **LD 1206 An Act To Fund the Dirigo Health Program through a High-risk Pool**

**ACCEPTED ONTP  
REPORT**

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

Part A allows a maximum rate differential for individual health plans on the basis of age, occupation or industry and geographic area of 4:1 and a maximum rate differential on the basis of health status of 1.5:1.

Part A eliminates the Maine Individual Reinsurance Association which lacks funding due to the repeal by people's veto of portions of Public Law 2007, chapter 629, and establishes the Comprehensive Health Insurance Risk Pool

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

Association, a high-risk pool for the individual health insurance market. Part A repeals the guaranteed issuance requirement for individual health insurance; the high-risk pool will become the mechanism to provide guaranteed access to individual coverage. The Part requires insurers that provide medical insurance as defined in the bill to pay an assessment of up to \$10 per covered person per month to support the costs of the high-risk pool and subsidy costs for the Dirigo Health Program.

Part A of the bill also authorizes the offering of individual health plans for young adults without the prior approval of the Superintendent of Insurance.

Part B of the bill requires that Dirigo Health apply an asset limit that is 3 times the limit applied by MaineCare to determine eligibility for subsidies in addition to the requirement that an individual's income be under 300% of the federal poverty level. Part B requires Dirigo Health enrollees to complete health assessments as a condition of receiving subsidies. Part B also repeals the savings offset payment as the source of funding for subsidies for the Dirigo Health Program and instead requires the Comprehensive Health Insurance Risk Pool Association to transfer 50% of revenues from insurer assessments to support subsidies.

Part C directs the Office of the Revisor of Statutes to include in the errors bill any sections necessary to correct cross-references to provisions of law repealed in this Act.

### **Committee Amendment "A" (H-465)**

This amendment, which is the minority report of the committee, does the following.

1. The amendment requires that the high-risk pool association develop a standardized health questionnaire to be filled out by individuals to determine eligibility for the high-risk pool. The amendment reduces the maximum assessment to be paid by insurers to support the high-risk pool to \$4 and removes the requirement to transfer 50% of the assessment to the Dirigo Health program.
2. The amendment removes Part B of the bill.
3. This amendment corrects cross-references necessitated by changes made in Part A of the bill as amended by this amendment.

Committee Amendment "A" was not adopted.

### **LD 1264    An Act To Stabilize Funding and Enable DirigoChoice To Reach More Uninsured**

**PUBLIC 359**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT BOWMAN	OTP-AM   MAJ OTP-AM   MIN	H-490

This bill requires the Board of Trustees of Dirigo Health to reach more uninsured and underinsured individuals through a more affordable product and to report to the Joint Standing Committee on Insurance and Financial Services regarding changes to the Dirigo Health Program by January 1, 2010. The bill replaces the savings offset payment, currently assessed at a variable rate up to 4% of paid claims determined each year depending on savings, with a fixed 2.14% access payment on paid claims paid monthly.

### **Committee Amendment "A" (H-490)**

This amendment is the majority report of the committee. The amendment clarifies that access payments apply to claims paid on or after September 1, 2009 and establishes the payment date as 30 days after the end of each month.