

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

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

July 2011

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD 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 LD is noted to the right of the LD title. The following describes the various final actions.

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; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public Law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 125th Legislature is September 28, 2011. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

LD 540

**An Act To Implement the Insurance Payment Reform
Recommendations of the Advisory Council on Health Systems
Development**

PUBLIC 270

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRAHAM BRANNIGAN	OTP-AM	H-428

This bill implements the recommendations of the Advisory Council on Health Systems Development relating to insurance payment reform. The bill adopts principles for payment reform strategies developed by the Advisory Council on Health Systems Development and requires that these principles be used to evaluate pilot project proposals. The bill authorizes the Superintendent of Insurance to permit health insurance carriers to implement payment reform pilot projects beginning January 1, 2012. The bill requires the Superintendent of Insurance to consider the recommendation of the Advisory Council on Health Systems Development before approving a pilot project.

The bill also authorizes the Department of Health and Human Services to conduct a four-year demonstration project for payment reform to achieve cost savings within the MaineCare program beginning July 1, 2012.

Committee Amendment "A" (H-428)

This amendment does the following.

1. It requires the rule-making process to be completed by December 1, 2011 and that copies of the adopted rule be submitted to the Joint Standing Committee on Insurance and Financial Services.
2. It delays the authority to approve any pilot project from January 1, 2012 to March 1, 2012.
3. It narrows the scope of permissible pilot projects to projects between a health insurance carrier and an accountable care organization formed by providers.
4. It requires that the Department of Professional and Financial Regulation, Bureau of Insurance conduct an analysis of the costs and benefits of any approved pilot project and report those findings to the Legislature.
5. It clarifies that the pilot project provision may not be construed to require carriers to obtain prior approval from the Bureau of Insurance to engage in activities already expressly permitted.
6. It removes provisions in the bill related to the duties of the Advisory Council on Health Systems Development, which was repealed by Public Law 2011, chapter 90.

Enacted Law Summary

Public Law 2011, chapter 270 authorizes the Superintendent of Insurance to permit health insurance carriers to implement payment reform strategies through accountable care organizations as a pilot project beginning March 1, 2012. Before approving a pilot project, the law requires the Superintendent of Insurance to consider whether the proposed pilot is consistent with the principles for payment reform developed by the former Advisory Council on Health Systems Development.

Public Law 2011, chapter 270 also authorizes the Department of Health and Human Services to conduct a four-year demonstration project for payment reform to achieve cost savings within the MaineCare program beginning July 1, 2012.