

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
SECOND REGULAR SESSION



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

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

June 2012

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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

STATE OF MAINE

125TH LEGISLATURE
SECOND REGULAR SESSION



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 Second 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.

<i>CARRIED OVER</i>	<i>carried over to a subsequent session of the Legislature</i>
<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; legislation died</i>
<i>DIED BETWEEN HOUSES</i>	<i>House & Senate disagreed; legislation died</i>
<i>DIED IN CONCURRENCE</i>	<i>defeated in each house, but on different motions; legislation died</i>
<i>DIED ON ADJOURNMENT</i>	<i>action incomplete when session ended; legislation died</i>
<i>EMERGENCY</i>	<i>enacted law takes effect sooner than 90 days after session adjournment</i>
<i>FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE</i>	<i>emergency failed to receive required 2/3 vote</i>
<i>FAILED, ENACTMENT or FINAL PASSAGE</i>	<i>failed to receive final majority vote</i>
<i>FAILED, MANDATE ENACTMENT</i>	<i>legislation proposing local mandate failed required 2/3 vote</i>
<i>HELD BY GOVERNOR</i>	<i>Governor has not signed; final disposition to be determined at subsequent session</i>
<i>LEAVE TO WITHDRAW</i>	<i>sponsor's request to withdraw legislation granted</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>ruled out of order by the presiding officer; legislation died</i>
<i>INDEF PP</i>	<i>indefinitely postponed; legislation died</i>
<i>ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X</i> ...	<i>ought-not-to-pass report accepted; legislation 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>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 of the 125th Legislature is Thursday, August 30, 2012. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Insurance and Financial Services

LD 882 An Act To Limit Health Care Mandates

**DIED BETWEEN
HOUSES**

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

This bill was carried over from the First Regular Session of the 125th Legislature.

The bill prohibits carriers from offering a health plan in this State on or after January 1, 2014 that exceeds the minimum essential benefits package determined in accordance with federal law. The bill also requires the Department of Professional and Financial Regulation, Bureau of Insurance to evaluate the minimum essential benefits package to be determined by the Secretary of the United States Department of Health and Human Services in comparison to existing mandated health insurance benefits required by state law. The bill directs the bureau to determine which mandated benefits are not included in the federal minimum essential benefits package and develop proposed legislation to eliminate those mandated benefits in state law. The bureau must submit its report within three months of the adoption of the minimum essential benefits package. The bill authorizes the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters to report out a bill based on the report to the First Regular Session of the 126th Legislature.

Committee Amendment "A" (H-723)

This amendment replaces the bill and changes the title. The amendment provides that, on or after January 1, 2014, health insurance carriers may not be required to provide benefits or coverage that exceeds benefits in the minimum essential benefits package determined in accordance with federal law.

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

LD 1030 An Act To Reduce Costs for Small Businesses

**MAJORITY
(ONTP) REPORT**

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

This bill was carried over from the First Regular Session of the 125th Legislature.

The bill is a concept draft pursuant to Joint Rule 208. The bill proposes to establish subsidies, tax credits and other initiatives designed to lower the employer and employee costs of health insurance provided through small business owners to their employees. The bill would dedicate fees currently assessed on health insurers for funding affordable health care coverage to eligible small employers to fund the subsidies, tax credits and other initiatives proposed in the bill.

Committee Amendment "A" (H-736)

This amendment is the minority report and replaces the bill, which is a concept draft. The amendment establishes

Joint Standing Committee on Insurance and Financial Services

the small business health coverage income tax credit for small businesses with up to 50 employees that purchase health coverage through a small business health exchange established in the State pursuant to federal law. The credit is calculated as 5% of up to \$25,000 of expenditures paid and expenses incurred to purchase health coverage and is not refundable. The credit is phased in over 3 years beginning January 1, 2014 based on the number of eligible employees. To qualify for the tax credit, a small business must contribute at least 60% of the cost of coverage and have at least 50% of its employees earning less than the State's average hourly wage.

Committee Amendment "A" was not adopted.

LD 1179 An Act To Require Advance Review and Approval of Certain Small Group Health Insurance Rate Increases and To Implement the Requirements of the Federal Patient Protection and Affordable Care Act

**MAJORITY
(ONTP) REPORT**

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

This bill was carried over from the First Regular Session of the 125th Legislature.

Part A of the bill makes the rate review process for small group health insurance rates the same as the process for individual health insurance. Part A requires that, if a filing proposes an increase in rates in a small group health plan, the Superintendent of Insurance shall hold a hearing on the proposed rate increase at the request of the Attorney General. Part A makes it clear that in any hearings the burden of proving proposed rates are not excessive, inadequate or unfairly discriminatory is on the insurer. Part A also repeals the optional rate review process that permits small group health insurers that meet a minimum 78% medical loss ratio to file rates with the Department of Professional and Financial Regulations, Bureau of Insurance for informational purposes.

Part B of the bill amends the Maine Insurance Code to conform to the requirements of the federal Patient Protection and Affordable Care Act, Public Law 111-148. Part B also authorizes the Superintendent of Insurance to amend rules for consistency with the requirements of the federal law and any regulations adopted pursuant to that law.

Committee Amendment "A" (H-725)

This amendment replaces the bill and is the minority report of the committee. The amendment restores the statutory process for advance review and prior approval of individual health insurance rates and repeals the changes to the rate review process for individual health insurance made by Public Law 2011, chapter 90. The amendment also extends the same process for advance review and prior approval for small group health insurance rates, but makes those provisions contingent on the repeal of the federal Patient Protection and Affordable Care Act by Congress or the invalidation of the federal law by the United States Supreme Court, either in whole or in part.

Committee Amendment "A" was not adopted.