

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.

Joint Standing Committee on Insurance and Financial Services

LD 1498 An Act To Phase Out Dirigo Health and Establish the Maine Health Benefit Exchange for Small Businesses and Individuals

Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT BRANNIGAN		

This bill repeals Dirigo Health effective January 1, 2014 and, in its place, establishes the Maine Health Benefit Exchange. The exchange is established as authorized by federal law to facilitate the purchase of health care coverage by individuals and small businesses. The bill requires coverage to be available through the exchange no later than January 1, 2014. Coverage of individuals and small businesses under the current Dirigo Health program will end on January 1, 2014 as coverage will transition to the exchange. The bill retains the Maine Quality Forum established within the Dirigo Health program and transfers its oversight to the exchange. The bill requires health insurance carriers and third-party administrators to pay an access payment on paid claims to support the operations of the exchange.

The bill makes changes to the Maine Insurance Code to preserve the authority of the Superintendent of Insurance to enforce the federal Patient Protection and Affordable Care Act. The bill also clarifies that the Superintendent of Insurance has oversight over health insurance plans offered through the Maine Health Benefit Exchange.

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 of Insurance to determine the projected cost impact of maintaining mandated benefits not included in the essential benefits package in qualified health plans made available through the exchange. The bureau must submit its report within three months of the adoption of the minimum essential benefits package.

LD 1498 was carried over to any special and/or regular session of the 125th Legislature pursuant to joint order, H.P. 1190.

LD 1507 An Act Regarding Service Contracts

PUBLIC 345

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUSHING PLOWMAN	OTP-AM	H-544

This bill creates a statutory framework within which service contracts are defined and regulated by the Superintendent of Insurance. It provides that service contracts are not insurance and are not subject to the insurance laws. It includes consumer protections and eliminates unnecessary administration.

Committee Amendment "A" (H-544)

This amendment replaces the bill. The amendment creates a statutory framework within which service contracts are defined and regulated by the Superintendent of Insurance within the Maine Revised Statutes, Title 24-A. The bill allocates the statutory provisions to Title 10. The amendment provides that service contracts are not insurance and are not subject to the insurance laws, but prohibits the sale of service contracts in the State unless a service contract provider or administrator registers with the Superintendent of Insurance and meets the requirements set forth in the

Joint Standing Committee on Insurance and Financial Services

amendment. The amendment prohibits unfair or deceptive acts and practices in connection with the marketing, sale, offering for sale, issuance, making, proposing to make or administration or solicitation of a service contract and clarifies the enforcement authority of the Superintendent of Insurance with regard to violations. The amendment also makes changes to conform to the provisions of the National Association of Insurance Commissioners Service Contracts Model Act.

Enacted Law Summary

Public Law 2011, chapter 345 creates a statutory framework within which service contracts are defined and regulated by the Superintendent of Insurance within the Maine Revised Statutes, Title 24-A. The law provides that service contracts are not insurance and are not subject to the insurance laws, but prohibits the sale of service contracts in the State unless a service contract provider or administrator registers with the Superintendent of Insurance and meets certain statutory requirements. The law prohibits unfair or deceptive acts and practices in connection with the marketing, sale, offering for sale, issuance, making, proposing to make or administration or solicitation of a service contract and clarifies the enforcement authority of the Superintendent of Insurance with regard to violations. The law also makes changes to conform to the provisions of the National Association of Insurance Commissioners Service Contracts Model Act.

LD 1551 An Act To Clarify and Update the Laws Related to Health Insurance, Insurance Producer Licensing and Surplus Lines Insurance

PUBLIC 238

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON W WHITTEMORE	OTP	

This bill makes the following changes to the laws governing insurance.

It provides protection to enrollees from balance billing by participating providers in all managed care plans.

It clarifies that a policy meeting both the definition of a group health policy and the description of a blanket policy is a group policy.

It clarifies that rates for blanket health policies must be filed for informational purposes.

It clarifies that short-term health insurance policies are not subject to guaranteed issue, guaranteed renewal or community rating.

It amends the definition of "federally creditable coverage" to eliminate a syntax problem that created an ambiguity.

It amends the guaranteed renewability laws to clarify that when a carrier ceases offering an individual or small group product, policyholders, and in some cases certificate holders, are offered the opportunity to purchase any other product the carrier offers to that market.

It corrects a cross-reference.

It eliminates the independent producer authority for resident and nonresident insurance producers.

Enacted Law Summary

Public Law 2011, chapter 238 makes the following changes to the laws related to health insurance.

1. It clarifies that enrollees may not be subject to balance billing by participating providers in all managed care