

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
125<sup>TH</sup> 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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STATE OF MAINE  
125<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 LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125<sup>th</sup> 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 125<sup>th</sup> 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*

Public Law 2011, chapter 364 amends the health insurance laws to incorporate changes to implement the requirements of the federal Patient Protection and Affordable Care Act.

**LD 1555      An Act To Eliminate the Waiting Period before Insurance Adjusters  
May Offer Adjustment Services      ONTP**

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

This bill repeals the provision of law that prohibits an insurance adjuster from soliciting or offering adjustment services to a person for at least 36 hours after an accident or occurrence for which that person may have a claim.

**LD 1580      An Act To Further Improve Maine's Health Insurance Law      INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE	OTP-AM	

This bill amends "An Act To Modify Rating Practices for Individual and Small Group Health Plans and To Encourage Value-based Purchasing of Health Care Services" to remove the exemption from assessment imposed on Legislators and their dependents, thus requiring insurers to pay the \$4 per month per person assessment for policies insuring Legislators and their dependents. The bill provides that insurers shall directly bill Legislators for the costs of the assessment.

While LD 1580 was indefinitely postponed, a related bill, LD 1587, An Act to Further Improve Maine's Health Insurance Laws, was introduced as a replacement. See LD 1587, which was enacted as Public Law 2011, chapter 452.

**LD 1582      Resolve, Creating the Advisory Committee on Maine's Health Insurance  
Exchange      RESOLVE 105  
EMERGENCY**

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

This resolve is reported out pursuant to joint order by the Joint Standing Committee on Insurance and Financial Services. The resolve creates the Advisory Committee on Maine's Health Insurance Exchange. The charge of the advisory committee is to make recommendations to the Legislature and to the Governor on courses of action to ensure federal funding for the creation of a health insurance exchange and to provide draft enabling legislation for the creation of a health insurance exchange.

**Enacted Law Summary**

Resolve 2011, chapter 105 creates the Advisory Committee on Maine's Health Insurance Exchange. The charge

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

of the advisory committee is to make recommendations to the Legislature and to the Governor on courses of action to ensure federal funding for the creation of a health insurance exchange and to provide draft enabling legislation for the creation of a health insurance exchange no later than September 1, 2011.

Resolve 2011, chapter 105 was enacted as an emergency measure effective July 6, 2011.

### **LD 1583     An Act To Provide Oversight in Certain Negotiations**

**PUBLIC 451**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON W	OTP-AM	H-662

This bill prohibits the inclusion of so-called "most favored nation" clauses in the participation agreements between health insurance carriers and health care service providers and authorizes the Superintendent of Insurance to waive this restriction upon finding that the inclusion of such a clause will not be anticompetitive. This bill also prohibits carriers from discriminating against providers for opposing requests for such waivers.

#### **Committee Amendment "A" (H-662)**

This amendment replaces the bill. Like the bill, the amendment prohibits the inclusion of so-called "most favored nation" clauses in the participation agreements between health insurance carriers and health care service providers and authorizes the Superintendent of Insurance to waive this restriction upon finding that the inclusion of such a clause will not be anticompetitive. This amendment also prohibits carriers and providers from taking discriminatory or retaliatory actions for filing or opposing requests for such waivers. This amendment clarifies that an applicant for a waiver may request a hearing and further clarifies that a decision of the superintendent may be appealed whether a hearing is held or not. The amendment also clarifies the factors that may be considered by the superintendent in determining whether the inclusion of a "most favored nation" clause is anticompetitive. The amendment also narrows the scope of the public records exception included in the bill. The amendment makes the bill apply to contracts executed or renewed on or after January 1, 2012.

#### **Enacted Law Summary**

Public Law 2011, chapter 451 prohibits the inclusion of so-called "most favored nation" clauses in the participation agreements between health insurance carriers and health care service providers, but also authorizes the Superintendent of Insurance to waive this restriction upon finding that the inclusion of such a clause in a participation agreement will not be anticompetitive. The law also prohibits carriers and providers from taking discriminatory or retaliatory actions for filing or opposing requests for such waivers. The law clarifies that an applicant for a waiver may request a hearing and further clarifies that a decision of the superintendent may be appealed whether a hearing is held or not. The law also specifies the factors that may be considered by the superintendent in determining whether the inclusion of a "most favored nation" clause in a participation agreement is anticompetitive.

Public Law 2011, chapter 451 applies to contracts executed or renewed on or after January 1, 2012.