

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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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 1637 An Act To Permit Financial Institutions To Share Certain Information for the Purpose of Preventing Electronic Bank Card Losses and Other Fraud

PUBLIC 518

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON W	OTP-AM	H-717

Current law permits the sharing of financial records information under the exemptions in the federal Gramm-Leach-Bliley Act and its implementing regulations. Financial institutions can share information about individuals in order to protect against fraud, unauthorized transactions, claims and other liability. This bill allows financial institutions to share financial records information about business customers, other than individuals, for the same purposes.

Committee Amendment "A" (H-717)

This amendment clarifies the bill to ensure that disclosure of financial records of a business and, in particular, business records of a sole proprietor may be made by a financial institution to protect against fraud, unauthorized transactions and other liability.

Enacted Law Summary

Current law permits the sharing of financial records information under the exemptions in the federal Gramm-Leach-Bliley Act and its implementing regulations. Financial institutions can share information about individuals in order to protect against fraud, unauthorized transactions, claims and other liability. Public Law 2011, chapter 518 allows financial institutions to share financial records of a business and, in particular, records of a sole proprietor for the same purposes.

LD 1666 An Act To Guarantee Basic Preventive Dental Health Services for Children in Maine

ONTP

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

This bill requires dental insurers and health insurers and health maintenance organizations that include coverage for dental services in their policies and contracts to provide coverage for preventive dental health services for children. The bill applies to policies and contracts issued or renewed on or after January 1, 2013.

LD 1670 An Act Relating to Rating on the Basis of Group Size in the Small Group Health Insurance Market

PUBLIC 638

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COURTNEY	OTP-AM	S-522

Joint Standing Committee on Insurance and Financial Services

This bill extends the provisions of the law governing the Maine Guaranteed Access Reinsurance Association to insurers that offer small group health plans to groups of 10 or fewer members.

Committee Amendment "A" (S-522)

This amendment replaces the bill and changes the title. The amendment provides that, beginning October 1, 2012, the rating factor used by small group health insurance carriers for group size must be combined within the maximum rate differential due to age of 2.5 to 1. The combined rating band for age and group size would be increased to 3 to 1 on January 1, 2014 and, to the extent permitted by the federal Affordable Care Act, further increased each year by a factor of 1 up to a combined 5 to 1 rating band on January 1, 2016. Under current law, the rating factor for group size falls outside of the rating bands.

Enacted Law Summary

Public Law 2011, chapter 638 provides that, beginning October 1, 2012, the rating factor used by small group health insurance carriers for group size must be combined within the maximum rate differential due to age of 2.5 to 1. The combined rating band for age and group size would be increased to 3 to 1 on January 1, 2014 and, to the extent permitted by the federal Affordable Care Act, further increased each year by a factor of 1 up to a combined 5 to 1 rating band on January 1, 2016. Under current law, the rating factor for group size falls outside of the rating bands.

**LD 1682 An Act To Allow Employees of the Small Enterprise Growth Board To Participate in the State's Group Health Plan PUBLIC 514
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RECTOR	OTP-AM	S-393

This bill allows the employees of the Small Enterprise Growth Board to participate in the State's group health plan.

Committee Amendment "A" (S-393)

This amendment provides that employees of the Small Enterprise Growth Board are eligible to participate in the State's group health plan effective July 1, 2012.

Enacted Law Summary

Public Law 2011, chapter 514 allows employees of the Small Enterprise Growth Board to participate in the State's group health plan beginning July 1, 2012.

Public Law 2011, chapter 514 was enacted as an emergency measure effective March 16, 2012.

LD 1691 An Act Related to Specialty Tiers in Prescription Medication Pricing PUBLIC 611

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FITTS	OTP-AM MAJ ONTP MIN	H-813

This bill provides that a health plan covering prescription drugs may not require cost sharing, deductibles or coinsurance obligations for prescription drugs that exceed the dollar amount for nonpreferred brand drugs or for