

MAINE STATE LEGISLATURE

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STATE OF MAINE
126TH LEGISLATURE
FIRST REGULAR SESSION



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

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

July 2013

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 126th 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 126th Legislature is October 9, 2013. 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 44 An Act Regarding Pharmacy Provider Audits

PUBLIC 71

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BECK LACHOWICZ	OTP-AM	H-45

This bill limits the total amount that may be recouped in pharmacy audits to dispensing fees, unless a misfill occurs. The bill prohibits collection of amounts due as a result of an audit until the audit is complete and appeals are exhausted, unless there is evidence of pharmacy fraud or intentional or willful misrepresentation. The bill also limits access by pharmacy auditors to certain records, requires auditors to give advance notice of an audit and requires the random sampling of pharmacy transactions.

Committee Amendment "A" (H-45)

This amendment replaces the bill. The amendment adds provisions to the requirements in current law relating to on-site audits of pharmacy providers conducted by pharmacy benefits managers on behalf of health insurance carriers. The amendment requires auditors to give advance notice of audits, gives pharmacy providers the right to request mediation to resolve disagreements and makes clear that provisions relating to retrospective denial of claims apply to pharmacy claims subject to an audit.

Enacted Law Summary

Public Law 2013, chapter 71 adds provisions to the requirements in current law relating to on-site audits of pharmacy providers conducted by pharmacy benefits managers on behalf of health insurance carriers. The law requires auditors to give advance notice of audits, gives pharmacy providers the right to request mediation to resolve disagreements and makes clear that provisions relating to retrospective denial of claims apply to pharmacy claims subject to an audit.

LD 70 An Act To Require Full Disclosure by Insurance Carriers Using Credit Ratings

ONTP

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

This bill requires an insurer that obtains credit information on a consumer to provide the consumer with notice of the consumer's credit rating and identify the impact of that rating on rates and coverage as part of the policy issued to the consumer.

LD 83 An Act To Protect Health Insurance Ratepayers from Undocumented Rate Increases

ONTP

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

This bill restores the statutory process for advance review and prior approval of individual health insurance rates and rescinds the changes to the rate review process for individual health insurance made by Public Law 2011, chapter 90.

Joint Standing Committee on Insurance and Financial Services

While LD 83 was voted "Ought Not to Pass", a related substantive provision restoring the statutory process for advance review and prior approval of individual health insurance rates was included in Committee Amendment "A" to LD 225, An Act to Restore Consumer Rate Review for Health Insurance Plans in the Individual Market. See LD 225.

LD 102 An Act To Improve Health Insurance Transparency ONTP

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

This bill 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 bill also extends the same process for advance review and prior approval for small group health insurance rates. The bill also makes the proceedings of the Maine Guaranteed Access Reinsurance Association open to the public as provided in the Freedom of Access Act.

While LD 102 was voted "Ought Not to Pass", a related substantive provision restoring the statutory process for advance review and prior approval of individual health insurance rates was included in Committee Amendment "A" to LD 225, An Act to Restore Consumer Rate Review for Health Insurance Plans in the Individual Market. See LD 225.

LD 129 An Act To Give Retroactive Effect to the State Employee Health Commission's Reconsideration of Hospital Ratings ACCEPTED MAJORITY (ONTP) REPORT

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BURNS MAKER	ONTP OTP-AM	

This bill, which is a concept draft pursuant to Joint Rule 208, proposes to give retroactive effect to the State Employee Health Commission's reconsideration of hospital ratings. After publishing a list of hospitals that qualify for the maximum amount in coverage of costs under the health insurance plan that covers state employees, the State Employee Health Commission added to the list 6 hospitals that, effective October 1, 2012, qualify for such preferential health insurance coverage. The bill proposes to provide funds to reimburse those insureds who received services at one or more of those 6 hospitals during the period from July 1, 2012, when the initial list was published, to October 1, 2012 for the applicable difference in copayments and deductibles.

Committee Amendment "A" (S-144)

This amendment is the minority report of the committee and replaces the bill. The amendment requires the Executive Director of Health Insurance to calculate the amounts of and reimburse those members enrolled in the state employee health plan for the applicable differences in copayments and deductibles for services received at one or more of 6 hospitals not included on the State Employee Health Commission's list of preferred hospitals from July 1, 2012, when the initial list was published, to October 1, 2012, when those hospitals were added to the list. The amendment also provides funds for the reimbursement in an appropriations and allocations section.

Committee Amendment "A" was not adopted.