

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
126<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 2013

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# STATE OF MAINE

126<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* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 126<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 126<sup>th</sup> 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 648      An Act To Make Records of External Review Proceedings Overseen by  
the Bureau of Insurance Confidential**

**PUBLIC 274**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRATWICK TREAT	OTP-AM	S-113

This bill protects the confidentiality of records of external review proceedings arranged by the Department of Professional and Financial Regulation, Bureau of Insurance concerning an insurance carrier's adverse health care treatment decision.

**Committee Amendment "A" (S-113)**

This amendment replaces the bill. The amendment protects the confidentiality of records of an external review proceeding arranged by the Department of Professional and Financial Regulation, Bureau of Insurance concerning an insurance carrier's adverse health care treatment decision, but gives parties to an external review proceeding the right to obtain a transcript or recording of the external review hearing and a copy of any evidence. The amendment also requires the Superintendent of Insurance to disseminate aggregate information relating to external review decisions to the Legislature and the public on an annual basis.

**Enacted Law Summary**

Public Law 2013, chapter 274 protects the confidentiality of records of an external review proceeding arranged by the Department of Professional and Financial Regulation, Bureau of Insurance concerning an insurance carrier's adverse health care treatment decision, but gives parties to an external review proceeding the right to obtain a transcript or recording of the external review hearing and a copy of any evidence. The law also requires the Superintendent of Insurance to disseminate aggregate information relating to external review decisions to the Legislature and the public on an annual basis.

**LD 651      An Act To Amend the Captive Insurance Laws**

**LEAVE TO  
WITHDRAW**

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

This bill provides that the joint and several liability for a bank, municipality or hospital that is a member of an association captive insurance company is limited to an amount per year equal to the premium for the most recently completed annual insurance period or a greater amount as established by the association captive insurance company.

**LD 653      An Act To Remove an Unnecessary Provision in the Maine Insurance  
Code**

**PUBLIC 94**

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

This bill repeals a provision of the Maine Insurance Code that requires a carrier offering standardized Medicare supplement plans that include prescription drug coverage to allow an insured of that carrier who was formerly eligible for the low-cost drugs for the elderly or disabled program to purchase a plan with drug benefits from that

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

carrier. This provision of law is no longer relevant since Medicare Part D prescription drug coverage was removed from all standardized Medicare supplement plans.

**Enacted Law Summary**

Public Law 2013, chapter 94 repeals a provision of the Maine Insurance Code that requires a carrier offering standardized Medicare supplement plans that include prescription drug coverage to allow an insured of that carrier who was formerly eligible for the low-cost drugs for the elderly or disabled program to purchase a plan with drug benefits from that carrier. This provision of law is no longer relevant since Medicare Part D prescription drug coverage was removed from all standardized Medicare supplement plans.

**LD 681      An Act To Improve Oversight of Insurance Rates and Ensure Consistency with Federal Law      ONTP**

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

Part A of 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.

Part B of the bill extends the same process for advance review and prior approval for small group health insurance rates.

Part C of the bill merges the rating bands for age, geographic area and tobacco use so that the combined rate differential due to age, geographic area and tobacco use may not exceed a ratio of 3 to 1 beginning July 1, 2013 for all individual and small group health insurance policies. The bill authorizes the Superintendent of Insurance to adopt rules regarding rating based on tobacco use that set appropriate methodologies and standards that are consistent with the federal Patient Protection and Affordable Care Act, as amended by the federal Health Care and Education Reconciliation Act of 2010, and do not permit rate variation that would penalize an individual who participates in a smoking cessation program or who is not provided the opportunity to participate in one.

While LD 681 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 as proposed in Part A of the bill 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 682      An Act To Require Health Insurers To Provide Coverage for Nutritional Wellness and Illness Prevention Measures and Products      ACCEPTED MAJORITY (ONTP) REPORT**

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

The purpose of this bill is to improve health, reduce health care usage and costs and help prevent disease through nutritional wellness and illness prevention measures and allow for nonpharmacological health care alternatives for enrollees who choose them. The bill requires that health insurance policies provide coverage for nutritional wellness and illness prevention measures that are shown to be beneficial to the enrollee and are recommended by the enrollee's physician. The bill applies to all individual and group policies issued or renewed on or after January