

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

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

Joint Standing Committee on Insurance and Financial Services

1, 2014.

Committee Amendment "A" (H-347)

This amendment is the minority report of the committee. The amendment exempts the bill from the requirements for review and evaluation by the Department of Professional and Financial Regulation, Bureau of Insurance pursuant to the Maine Revised Statutes, Title 24-A, section 2752. The amendment also adds an appropriations and allocations section.

Committee Amendment "A" was not adopted.

LD 683 An Act To Assist Homeowners with Wood Stoves in Obtaining Property Insurance ONTP

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

This bill requires an insurance policy to provide coverage for a property containing 2 heating sources sharing the same flue.

LD 706 An Act To Amend the Workers' Compensation Self-insurance Laws PUBLIC 172

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TUTTLE	OTP-AM	S-74

This bill specifies that a group self-insurer that is part of a reinsurance account that has net assets of at least \$40,000,000 and that obtains reinsurance coverage with an initial attachment point of no greater than \$1,000,000 has sufficient assets in the aggregate to qualify for funding the group's workers' compensation exposures at the 65% level of confidence.

Committee Amendment "A" (S-74)

This amendment replaces the bill. The amendment provides flexibility to modify retention levels for self-insurance reinsurance accounts in response to medical inflation and other changes in circumstances with approval of the Superintendent of Insurance. The amendment also revises the investment standards for self-insurance deposits and trusts to reduce concentration risk and other market risks posed by specifying a narrow range of permitted investments.

Enacted Law Summary

Public Law 2013, chapter 172 provides flexibility to modify retention levels for self-insurance reinsurance accounts in response to medical inflation and other changes in circumstances with approval of the Superintendent of Insurance. The law also revises the investment standards for self-insurance deposits and trusts to reduce concentration risk and other market risks posed by specifying a narrow range of permitted investments.