

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH LEGISLATURE
FIRST REGULAR SESSION



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

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

August 2015

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STATE OF MAINE

127TH 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 127th 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. An appendix provides a summary of relevant session statistics.

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 First Regular Session of the 127th Legislature is October 15, 2015. 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

approval of individual health insurance rates. It requires the Superintendent of Insurance to hold a hearing if a filing proposes an increase in rates in individual health insurance plans. It requires the Superintendent of Insurance to disapprove premium rates unless the minimum medical loss ratio satisfies the statutory requirements for individual health plans. The changes apply to individual health plan rate filings submitted to the Department of Professional and Financial Regulation, Bureau of Insurance beginning with the 2016 plan or policy year. The bill also requires meetings of the Board of Directors of the Maine Guaranteed Access Reinsurance Association to be open to the public.

Committee Amendment "A" (H-104)

This amendment is the majority report of the committee. The amendment requires the Superintendent of Insurance to hold meetings in at least three locations throughout the State to allow public comment on a rate filing if the rate filing proposes an increase in rates in individual health insurance plans that exceeds the rate of medical inflation by two percent or more. The bill requires a hearing to be held pursuant to the Maine Administrative Procedure Act for every rate filing proposing an increase in rates in individual health plans. The changes in the amendment apply to rate filings beginning with the 2017 plan or policy year, instead of the 2016 plan or policy year as proposed in the bill.

The amendment also removes the section of the bill related to meetings of the Board of Directors of the Maine Guaranteed Access Reinsurance Association.

Committee Amendment "A" was adopted in the House, but was not adopted in the Senate.

LD 251	An Act To Limit Allowable Health Care Charges in Certain Specified Situations	Accepted Minority (ONTP) Report
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRATWICK MORRISON	OTP-AM ONTP	

This bill limits a health plan enrollee's responsibility for the cost of covered health care when an enrollee receives health care services from an out-of-network provider at a participating hospital or other health care facility to the cost-sharing provisions for participating providers.

Committee Amendment "A" (S-35)

This amendment is the majority report of the committee. The amendment replaces the bill and changes the title. The amendment requires hospital and ambulatory surgical centers to disclose to patients when a health care provider rendering nonemergency surgical or other medical services is not employed by the hospital or ambulatory surgical center and may not be a participating provider in the patient's health insurance carrier network. The amendment also clarifies that the provision does not limit or change the application of the rules of the Department of Professional and Financial Regulation, Bureau of Insurance governing health plan accountability.

Committee Amendment "A" was not adopted.

LD 289	An Act To Amend the Health Plan Improvement Law Regarding Prescription Drug Step Therapy	Veto Sustained
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROSEN	OTP-AM ONTP	S-104

Joint Standing Committee on Insurance and Financial Services

This bill provides that the clinical review criteria used by a carrier in approving prescription drug step therapy must adhere to federal Food and Drug Administration prescription drug labeling and may not require failure on the same medication on more than one occasion for enrollees continuously enrolled in a health plan offered by the carrier. The bill also provides that the provisions may not be construed to prevent a health care practitioner from prescribing a medication for an off-label use or from prescribing a medication on more than one occasion when the health care practitioner determines it is medically appropriate.

If a carrier requires the failure on one or more drugs as a condition of prior authorization for a nonpreferred drug, the bill prohibits a carrier from collecting a copayment greater than the lowest cost preferred drug copayment in the same drug class from an enrollee that has satisfied the carrier's prior authorization requirements.

Committee Amendment "A" (S-104)

This amendment, which is the majority report of the committee, replaces the bill. The amendment provides that the clinical review criteria used by a carrier in approving prescription drugs may not prevent a health care practitioner from prescribing a medication for an off-label use, may not require failure on the same medication on more than one occasion for enrollees continuously enrolled in a health plan offered by the carrier and may not prevent a health care practitioner from prescribing a medication on more than one occasion when the health care practitioner determines it is medically appropriate.

The amendment also prohibits a carrier from requiring the failure on one or more drugs as a condition of prior authorization for a nonpreferred drug unless an enrollee has affirmatively agreed to the condition each time a carrier seeks to impose such a condition. The amendment does not restrict the cost-sharing imposed by a carrier.

LD 329 An Act To Allow Equipment Rental Companies To Sell Insurance

PUBLIC 77

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PICCHIOTTI WHITTEMORE	OTP-AM ONTP	H-80

This bill allows a rental company to offer for sale an insurance policy insuring against the loss of or damage to equipment rented for personal or household purposes.

Committee Amendment "A" (H-80)

This amendment replaces the bill and is the majority report of the committee. The amendment reallocates section 1 of the bill, which allows a rental company to offer for sale an insurance policy insuring against the loss of or damage to equipment rented for personal or household purposes, to the appropriate subchapter of the Maine Insurance Code. The amendment establishes a licensing structure for equipment rental insurance that is the same as the licensing structure for insurance sold in connection with renting a motor vehicle. The amendment requires rental companies to obtain a business entity license to sell insurance in connection with renting equipment and requires at least one employee at each office of the rental company located in the State to obtain a limited lines insurance producer license. The amendment also adds provisions to clarify that the insurance sold in connection with rental equipment is a limited lines insurance product and applicants for a license to sell that insurance product are exempt from examination.

Enacted Law Summary

Public Law 2015, chapter 77 allows a rental company to offer for sale an insurance policy insuring against the loss of or damage to equipment rented for personal or household purposes. The law establishes a licensing structure for equipment rental insurance that is the same as the licensing structure for insurance sold in connection with renting a