

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH LEGISLATURE
SECOND REGULAR SESSION



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

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

May 2016

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STATE OF MAINE

127TH LEGISLATURE

SECOND REGULAR SESSION



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 Second 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.

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 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 127th Legislature is July 29, 2016. 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 704 **An Act Regarding Notice Provided by Insurance Carriers to Health Care Providers** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BECK H GRATWICK G	ONTP	

This bill was carried over from the First Regular Session of the 127th Legislature.

This bill requires insurance carriers, beginning January 1, 2016, to give health care providers notice that an enrollee covered by an insurance product purchased through the American Health Benefit Exchange is in the three-month grace period under 45 Code of Federal Regulations, Section 156.270(d)(2015).

LD 889 **An Act To Protect Maine's Small Businesses from High Interest Rates on Commercial and Business Loans** **ONTP**

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

This bill was carried over from the First Regular Session of the 127th Legislature.

The bill caps the interest rate for commercial or business loans at 25% per year. The bill provides that violations are subject to criminal penalties of up to \$5,000 or imprisonment for not more than one year or both. The bill also allows a court to void a loan issued in violation of the interest rate caps upon the petition of the person to whom the loan was issued.

LD 1150 **An Act Regarding Maximum Allowable Cost Pricing Lists Used by Pharmacy Benefit Managers** **PUBLIC 450**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BROOKS H WHITTEMORE R	OTP-AM	H-556

This bill was reported out of committee and then recommitted to the committee in the prior session; it was then carried over from the First Regular Session of the 127th Legislature.

The bill establishes requirements for maximum allowable cost pricing lists used by pharmacy benefits managers and requires pharmacy benefits managers to make disclosures regarding that pricing and the methods used to establish that pricing to plan sponsors. It establishes an appeal process for pharmacies for disputes relating to maximum allowable cost pricing. The bill also provides for financial penalties for violations.

Committee Amendment "B" (H-556)

This amendment replaces the bill. The amendment establishes certain requirements relating to maximum allowable cost pricing lists used by pharmacy benefits managers.

The amendment provides that a pharmacy benefits manager may set a maximum allowable cost for a prescription drug only if that drug is rated as "A" or "B" in the most recent version of the United States Food and Drug Administration's "Approved Drug Products with Therapeutic Equivalence Evaluations," also known as "the Orange