

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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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

expired and provides that a consumer's payment or other activity on a debt that is made after the expiration of the statute of limitations period does not reset the statute of limitations period.

Enacted Law Summary

Public Law 2015, chapter 272 requires any payment agreement entered into with a debt collector to be documented in open court, approved by the court and included in a court order or otherwise reduced to writing. The law also prohibits a debt collector from suing on a debt if the statute of limitations period has expired and provides that a consumer's payment or other activity on a debt that is made after the expiration of the statute of limitations period does not reset the statute of limitations period.

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

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

This 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 "A" (H-183)

This amendment is the majority report of the committee. The amendment provides that a pharmacy benefits manager may set a maximum allowable cost for a prescription drug only if that drug is nationally available and has two or more nationally available therapeutically equivalent drug substitutes with a significant cost difference rather than three or more as provided in the bill. The amendment also replaces the provision in the bill authorizing the Superintendent of Insurance to enforce violations with a provision granting a pharmacy the right to request mediation by a private mediator to resolve disagreements related to maximum allowable cost pricing.

The amendment specifies that the provisions apply to contracts between a pharmacy and a pharmacy benefits manager executed or renewed on or after January 1, 2016.

This bill was reported out of committee, then committed back to the Joint Standing Committee on Insurance and Financial Services and was carried over to any special or regular session of the 127th Legislature by joint order, H.P. 992.

LD 1242 **An Act To Protect Maine Consumers from Medical Identity Theft** **Accepted Majority (ONTP) Report**

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

This bill directs an insurance carrier that provides insurance in the State to take certain measures to protect the data and identity of a person insured by the carrier on or after January 1, 2004, including encrypting all medical and personal data of the insured, providing medical identify theft protection and a guarantee of recompense for 10 years following the breach, aligning all policies with a national medical fraud alliance approved by the Department of Professional and Financial Regulation, Bureau of Insurance and requiring all carriers to develop and implement a policy approved by the bureau that ensures strict adherence to the compliance rules under the federal Health

Joint Standing Committee on Insurance and Financial Services

Insurance Portability and Accountability Act of 1996.

Committee Amendment "A" (S-88)

This amendment is the minority report of the committee and replaces the bill with a resolve. This amendment directs the Department of Professional and Financial Regulation, Bureau of Insurance to monitor the development of cybersecurity standards for insurance companies by the National Association of Insurance Commissioners and consult with the Joint Standing Committee on Insurance and Financial Services about the legislative and regulatory activities in other states related to cybersecurity for insurance companies to protect against security breaches involving personal information and health care information collected by or in the possession of insurance companies. The amendment also authorizes the committee to report out a bill to the Second Regular Session of the 127th Legislature.

LD 1264 An Act To Transfer Oversight of the Maine Quality Forum to the Maine Health Data Organization ONTP

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

This bill transfers responsibility for the Maine Quality Forum from Dirigo Health to the Maine Health Data Organization effective July 1, 2015. The bill also transfers two positions authorized for staffing the Maine Quality Forum to the Maine Health Data Organization.

This bill is proposed by the Joint Standing Committee on Insurance and Financial Services pursuant to Joint Order 2015, H.P. 585. The Joint Standing Committee on Insurance and Financial Services has not taken a position on the substance of the bill, and by reporting out this bill the committee is not suggesting and does not intend to suggest that it agrees or disagrees with any aspect of this bill. The Joint Standing Committee on Insurance and Financial Services is reporting the bill out for the sole purpose of turning the proposal into a printed bill that can be referred to the Joint Standing Committee on Insurance and Financial Services for an appropriate public hearing and subsequent processing in the normal course. The Joint Standing Committee on Insurance and Financial Services is taking this action to ensure clarity and transparency in the legislative review of this proposal.

LD 1265 An Act To Implement the Recommendations of the Maine Health Exchange Advisory Committee ONTP

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

This bill proposes to implement the recommendations of the Maine Health Exchange Advisory Committee pursuant to Joint Order 2013, House Paper 1136. The bill establishes the Maine Health Exchange Advisory Committee on a permanent basis.

The Joint Standing Committee on Insurance and Financial Services has not taken a position on the substance of the recommendations or the bill, and by reporting out this bill the committee is not suggesting and does not intend to suggest that it agrees or disagrees with any aspect of the advisory committee's recommendations or this bill. The Joint Standing Committee on Insurance and Financial Services is reporting out the bill for the sole purpose of turning the advisory committee's proposal into a printed bill that can be referred to the Joint Standing Committee on Insurance and Financial Services for an appropriate public hearing and subsequent processing in the normal course. The Joint Standing Committee on Insurance and Financial Services is taking this action to ensure clarity and transparency in the legislative review of the advisory committee's proposal.