

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
127<sup>TH</sup> 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

127<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 Second Regular Session of the 127<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. 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 127<sup>th</sup> 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

cost list used by the pharmacy benefits manager.

The law also establishes an appeal process to allow a pharmacy to challenge a drug's maximum allowable cost under certain conditions.

Public Law 2015, chapter 450 specifies that the provisions apply to contracts between a pharmacy benefits manager and a pharmacy beginning September 1, 2016.

**LD 1305**

### **An Act To Encourage Health Insurance Consumers To Comparison Shop for Health Care Procedures and Treatment**

**Died Between Houses**

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

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

This bill requires a health care entity to provide an estimate of the allowed amount if the entity is within a patient's carrier network or the amount that will be charged if the entity does not participate in a patient's carrier network for a proposed admission, procedure or service within two business days of a patient's request and to assist a patient in using a carrier's toll-free telephone number and publicly accessible website to obtain information about the out-of-pocket costs for which a patient will be responsible.

The bill requires health insurance carriers to establish a toll-free telephone number and publicly accessible website to provide information to enrollees about health care costs. A carrier is required to provide information on the average price paid in the past 12 months to a network health care provider for a proposed admission, procedure or service in each geographic rating area established by the carrier and to provide a binding estimate for the maximum allowed amount or charge for a proposed admission, procedure or service and the estimated amount the enrollee will be responsible to pay for a proposed admission, procedure or service that is a medically necessary covered benefit.

The bill also requires a carrier to pay an enrollee 50% of the saved cost to a maximum of \$7,500 if an enrollee elects to receive health care services from a provider that cost less than the average cost for a particular admission, procedure or service unless the savings is \$50 or less. If an enrollee elects to receive health care services from an out-of-network provider that cost less than the average amount for a particular admission, procedure or service, a carrier shall apply the enrollee's share of the cost toward the enrollee's member cost sharing as if the health care services were provided by a network provider.

The bill authorizes a health care entity, a carrier or another person designated by a health care entity, carrier, patient or prospective patient to have access at no cost to the all-payor and all-settings health care database for claims for the purposes of providing the information required.

The bill also requires carriers to provide certain information to the Department of Professional and Financial Regulation, Bureau of Insurance on an annual basis relating to the payments made to enrollees and the saved costs if an enrollee elects to receive health care services from a provider that cost less than the average cost for a particular admission, procedure or service.

#### **Committee Amendment "A" (S-406)**

This amendment is the majority report of the committee. The amendment replaces the bill, changes the title and does the following.

The amendment requires a health insurance carrier by January 1, 2018 to establish an interactive mechanism on its

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publicly accessible website that enables an enrollee to request and obtain from the carrier information on the payments made by the carrier to network providers for health care services. The interactive mechanism must allow an enrollee seeking information about the cost of a particular health care service to compare costs among network providers. The amendment allows a carrier that is unable to comply to provide a link on its publicly accessible website to enable an enrollee to use the Maine Health Data Organization's CompareMaine website.

The amendment requires health insurance carriers beginning January 1, 2018 to provide a good faith estimate, within a reasonable time of a request, of the estimated amount of the out-of-pocket costs to be paid by the enrollee for a proposed nonemergency procedure or service from a network provider. The amendment defines a nonemergency procedure or service as a procedure or service in one of the following seven categories: office visits; physical and occupational therapy services; integrative medicine services; mental health services; obstetrical and gynecological services; radiology and imaging services; and laboratory services.

**Committee Amendment "B" (S-407)**

This amendment is the minority report of the committee. The amendment replaces the bill and changes the title.

The amendment requires all carriers offering health plans in the State, beginning January 1, 2018, to provide a shared savings incentive program as a component of all health plans, except health plans offered through the federally facilitated marketplace established pursuant to the federal Affordable Care Act, unless a waiver has been granted by the superintendent. The amendment establishes the shared savings incentive program for enrollees who elect to receive a comparable health care service that costs less than the average price paid for that service by a carrier. The amendment defines "comparable health care service" as a service for which a carrier offers a shared savings incentive payment and includes, at a minimum, a health care service in the following four categories: physical and occupational therapy services, obstetrical and gynecological services, radiology and imaging services and laboratory services. If an enrollee shops for services, the amendment requires a carrier to pay that enrollee a shared savings incentive payment of at least 40% of the difference between the average amount for that comparable health care service and the amount paid, except that a payment is not required if the saved cost is \$50 or less.

The amendment authorizes a carrier to establish its own methodology for calculating the average price paid by that carrier under its shared savings incentive program and to make health care services received from an out-of-network provider not eligible for a shared savings incentive payment. If an enrollee elects to receive health care services from an out-of-network provider that would otherwise be eligible for a shared savings incentive payment, a carrier shall apply the amount paid for the comparable health care service toward the enrollee's cost sharing as specified in the enrollee's health plan as if the health care services were provided by a network provider.

The amendment also requires carriers to provide certain information to the Department of Professional and Financial Regulation, Bureau of Insurance on an annual basis relating to the payments made to enrollees, the use of health care services for which payments are provided and the saved costs if an enrollee elects to receive health care services from a provider that cost less than the average cost for a particular admission, procedure or service. The Bureau of Insurance is required to report aggregate information from all carriers to the Legislature on an annual basis.

**LD 1318 An Act To Promote Individual Private Savings Accounts through a Public-private Partnership**

**Accepted Majority (ONTP) Report**

Sponsor(s)

BECK H

Committee Report

ONTP  
OTP-AM

Amendments Adopted

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