

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

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.

Joint Standing Committee on Insurance and Financial Services

This bill establishes the Maine Small Business Marketplace. The bill requires employers of more than 10 employees that have not offered their employees a qualified retirement plan in the preceding two years to offer a payroll deposit retirement savings arrangement to their employees to allow contributions to an individual retirement account. The bill also allows small employers with fewer than 10 employees to voluntarily participate in the marketplace. The bill requires the Treasurer of State to administer and oversee the marketplace.

Committee Amendment "A" (H-555)

This amendment is the minority report of the committee and replaces the bill. As in the bill, the amendment establishes the Maine Small Business Retirement Marketplace. The amendment provides employers of fewer than 100 employees an opportunity to offer retirement plans that are approved by the marketplace to their employees on a voluntary basis. The amendment also allows sole proprietors and self-employed individuals to voluntarily participate in the marketplace. The amendment requires that the marketplace provide at least two types of retirement plans to eligible employers, an individual retirement account plan that allows an employer to make contributions to participating employees' accounts and a payroll deposit retirement savings arrangement in which an employer does not contribute to an employee's account, and a minimum of two plans available to individual employees, a myRA and a life insurance plan. The amendment requires the Treasurer of State to administer and oversee the marketplace. The amendment also adds an appropriations and allocations section.

**LD 1479 An Act To Create Improved Consumer Protection against Long-term ONTP
Care Insurance Premium Rate Increases**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LANGLEY B KUMIEGA W	ONTP	

This bill establishes restrictions on premium rate increases for long-term care insurance policies.

1. It limits the maximum increase in any one year to 25%.
2. It limits premium rates from increasing to a level that results in a cumulative increase of the annual premium exceeding a certain percentage of the insured's initial annual premium based on the insured's age.
3. It restricts the cumulative premium increase over the lifetime of a policyholder to 75%.
4. It restricts premium increases over a five-year period that in the aggregate exceed the limitations based on age.

The bill also requires a long-term care insurance policy issued on or after the effective date of the bill to prominently disclose on the face of the policy a statement that premiums are not guaranteed, a description of the limits on increases established in the bill and a statement that changes in premium rates must be approved by the Superintendent of Insurance. Finally, the bill requires insurers and other entities that have issued long-term care insurance policies to policyholders in this State to provide written notice of the enactment of the bill, including a summary of the provisions and a copy of the law, to the policyholders within 30 days of its enactment.

**LD 1542 An Act To Encourage Maine Employers To Offer and Employees To PUBLIC 490
Enroll in Disability Income Protection Plans in the Workplace**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BECK H WHITTEMORE R	OTP-AM ONTP	H-576