

**STATE OF MAINE**  
128<sup>TH</sup> LEGISLATURE  
FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



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

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

October 2018

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*Joint Standing Committee on Insurance and Financial Services*

**LD 192 An Act To Require Insurance Coverage for Hearing Aids**

**Veto Sustained**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HANDY J BELLOWS S	OTP-AM	H-177 S-506 HAMPER J

This bill was reported out of committee in the First Regular Session of the 128th Legislature and then carried over to the Second Regular Session on the Special Appropriations Table. This bill was again carried over, still on the Special Appropriations Table, from the Second Regular Session to the next special session by joint order, S.P. 748.

This bill requires insurance plans to provide coverage for hearing aids at a minimum of \$3,000 per hearing aid to all individuals with documented hearing loss.

**Committee Amendment "A" (H-177)**

This amendment makes the bill's requirements for coverage of hearing aids apply to insurance plans issued or renewed on or after January 1, 2019. The amendment also adds language exempting the bill from the provisions of the Maine Revised Statutes, Title 24-A, section 2752.

**Senate Amendment "A" To Committee Amendment "A" (S-506)**

This amendment changes the application date from January 1, 2019 to January 1, 2020.

**LD 389 An Act To Promote Access to Financial Institutions by Entities That Are Authorized under State Law**

**Veto Sustained**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAMPER J	ONTP OTP-AM	S-362

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This bill allows state-chartered credit unions to procure private insurance in lieu of share insurance from the National Credit Union Administration to facilitate the provision of financial services to registered dispensaries or registered caregivers authorized under the Maine Medical Use of Marijuana Act, to entities licensed under the Marijuana Legalization Act and to their employees.

**Committee Amendment "A" (S-362)**

This amendment is the minority report of the committee. The amendment adds an appropriations and allocations section to the bill to provide funds for the hiring of additional staff to manage the increased workload for the Department of Professional and Financial Regulation, Bureau of Financial Institutions resulting from the bill.

***Joint Standing Committee on Insurance and Financial Services***

**LD 453      Resolve, Regarding Insurance Coverage for Alternative Therapies for  
Addiction and Recovery**

**Died Between  
Houses**

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

This resolve was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This resolve requires the Superintendent of Insurance to convene interested parties to evaluate commercial insurance coverage for addiction treatment and recovery alternative therapies and report findings and recommendations to the Joint Standing Committee on Insurance and Financial Services before January 15, 2018. The resolve authorizes the Joint Standing Committee on Insurance and Financial Services to submit a bill to the Second Regular Session of the 128th Legislature based upon the report.

**Committee Amendment "A" (S-353)**

This amendment is the minority report of the committee. The amendment clarifies that the alternative therapies to be evaluated must include physical therapy, acupuncture services, chiropractic services and other services provided by licensed complementary health care providers. The amendment also changes the date the report is required to be submitted and the reference to the appropriate session of the Legislature.

**LD 660      An Act To Allow Credit and Debit Card Surcharges**

**Accepted Majority  
(ONTP) Report**

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

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

Current law prohibits the seller in a sales transaction from imposing a surcharge on a cardholder who pays using a credit card or debit card. This bill repeals that prohibition.

**Committee Amendment "A" (S-403)**

This amendment is the minority report of the committee and replaces the bill. The amendment authorizes a seller in a sales transaction to impose a surcharge on a cardholder who elects to use a credit card or debit card as long as the amount of the surcharge does not exceed the costs assessed by an authorized 3rd-party payment service provider for the credit card or debit card transaction and the amount of the surcharge is clearly disclosed to the consumer prior to payment.

**LD 696      An Act To Require Notification of Adverse Changes to Prescription  
Drug Formularies in Health Plans**

**PUBLIC 429**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAWRENCE M	OTP-AM	H-772

## *Joint Standing Committee on Insurance and Financial Services*

This bill was carried over from the First Regular Session of the 128th Legislature to the Second Regular Session. This bill was again carried over from the Second Regular Session to the next special session by joint order, S.P. 748.

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to improve the laws regarding insurance and financial services.

### **Committee Amendment "A" (H-772)**

This amendment replaces the bill and changes the title.

Part A does the following:

1. It requires a carrier to provide notice of an adverse change to an enrollee's prescription drug formulary. At least 60 days' notice is required, except in instances in which a prescription drug is removed from the formulary because of concerns about safety. The amendment defines "adverse change to a formulary" as a change that removes a drug currently prescribed for that enrollee from the formulary applicable to the enrollee's health plan or a change that moves the prescribed drug to a tier with a higher cost-sharing requirement if the carrier uses a formulary with tiers.
2. It requires a carrier to provide an enrollee with notice of the enrollee's right to request an exception to a formulary limitation when a prescription drug is removed from the formulary and to provide a form for an enrollee to use to make an exception request.
3. It requires a carrier to honor any prior authorization for a drug that has been removed from a formulary until the approval expires, as long as the enrollee retains coverage under the same plan.
4. It provides that when a drug is removed from a formulary and if an exception request is submitted prior to the effective date of the change, a carrier shall continue to provide coverage for that drug until the carrier has rendered a decision on an enrollee's request for an exception to the formulary limitation. This requirement does not apply to drugs removed from the formulary because of concerns about safety.
5. It provides that the requirements apply to all individual and group health insurance policies and contracts issued or renewed on or after January 1, 2019.

Part B of the amendment requires any carrier as determined by the Department of Professional and Financial Regulation, Bureau of Insurance to report on any prescription drug formulary changes made in calendar year 2019 to the Bureau of Insurance no later than 30 days following the end of each quarter. The report must include a list of formulary changes made by the carrier; the prescription drugs affected by each formulary change by name and manufacturer; the number of enrollees affected by each formulary change; the expected impact of each formulary change on the cost sharing for affected enrollees; the reasons for each formulary change; the number of exception requests made by enrollees with regard to each formulary change; and the number of exception requests granted, denied or withdrawn with regard to each formulary change. The Bureau of Insurance is required to compile this data for all carriers required by the bureau to report and submit a report to the Legislature no later than 60 days following the end of each quarter. The joint standing committee of the Legislature having jurisdiction over insurance and financial services matters is authorized to report out a bill to any regular or special session of the 129th Legislature. Part B also requires the state employee health insurance program to report the same information.

### **Enacted Law Summary**

Part A of Public Law 2017, chapter 429 does the following:

1. It requires a carrier to provide notice of an adverse change to an enrollee's prescription drug formulary. At least 60 days' notice is required, except in instances in which a prescription drug is removed from the formulary because

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of concerns about safety. The law defines "adverse change to a formulary" as a change that removes a drug currently prescribed for that enrollee from the formulary applicable to the enrollee's health plan or a change that moves the prescribed drug to a tier with a higher cost-sharing requirement if the carrier uses a formulary with tiers.

- 2. It requires a carrier to provide an enrollee with notice of the enrollee's right to request an exception to a formulary limitation when a prescription drug is removed from the formulary and to provide a form for an enrollee to use to make an exception request.
- 3. It requires a carrier to honor any prior authorization for a drug that has been removed from a formulary until the approval expires, as long as the enrollee retains coverage under the same plan.
- 4. It provides that when a drug is removed from a formulary and if an exception request is submitted prior to the effective date of the change, a carrier shall continue to provide coverage for that drug until the carrier has rendered a decision on an enrollee's request for an exception to the formulary limitation. This requirement does not apply to drugs removed from the formulary because of concerns about safety.
- 5. It provides that the requirements apply to all individual and group health insurance policies and contracts issued or renewed on or after January 1, 2019.

Part B of the law requires any carrier as determined by the Department of Professional and Financial Regulation, Bureau of Insurance to report on any prescription drug formulary changes made in calendar year 2019 to the Bureau of Insurance no later than 30 days following the end of each quarter. The report must include a list of formulary changes made by the carrier; the prescription drugs affected by each formulary change by name and manufacturer; the number of enrollees affected by each formulary change; the expected impact of each formulary change on the cost sharing for affected enrollees; the reasons for each formulary change; the number of exception requests made by enrollees with regard to each formulary change; and the number of exception requests granted, denied or withdrawn with regard to each formulary change. The Bureau of Insurance is required to compile this data for all carriers required by the bureau to report and submit a report to the Legislature no later than 60 days following the end of each quarter. The joint standing committee of the Legislature having jurisdiction over insurance and financial services matters is authorized to report out a bill to any regular or special session of the 129th Legislature. Part B also requires the state employee health insurance program to report the same information.

**LD 968      An Act To Help Prevent Financial Elder Abuse**

**PUBLIC 390**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LONGSTAFF T CARPENTER M	OTP-AM	H-599

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This bill requires the form for opening a joint account at a financial institution to have for each party to the account the question, "Do you intend for the sum remaining upon your death to belong to the surviving party or parties? Yes No." Each party to the joint account must answer the question in writing on the form prior to opening the account.

**Committee Amendment "A" (H-599)**

This amendment replaces the bill. The amendment retains the provisions of the bill. The amendment, however, moves the provisions to a more appropriate place in the Maine Revised Statutes, Title 9-B and adds language to clarify that answers provided on the form for opening a multiple-party account do not have any effect on any legal presumptions or inferences in any civil or criminal matter.

The amendment also clarifies that the provisions apply to multiple-party accounts established or to single-party

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accounts changed to multiple-party accounts after January 1, 2019.

**Enacted Law Summary**

Public Law 2017, chapter 390 requires the form for opening a multiple-party account at a financial institution to have for each party to the account the question, "Do you intend for the sum remaining upon your death to belong to the surviving party or parties? Yes No." Each party to the account must answer the question in writing on the form prior to opening the account. The law includes language to clarify that the answers provided on the form for opening a multiple-party account do not have any effect on any legal presumptions or inferences in any civil or criminal matter.

The provisions of Public Law 2017, chapter 390 apply to multiple-party accounts established or to single-party accounts changed to multiple-party accounts after January 1, 2019.

**LD 1030 An Act To Require Health Insurance Coverage for Covered Services Provided by Naturopathic Doctors**

**PUBLIC 340**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHENETTE J CASAS O	OTP-AM	S-363

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This bill prohibits health insurance carriers, automobile insurers and workers' compensation insurers from discriminating against health care providers who are licensed, registered or certified by the State in providing covered services as long as the providers are acting within the scope of their licenses, registrations or certifications. The bill also prohibits certain practices that may limit implementation of nondiscrimination policies.

**Committee Amendment "A" (S-363)**

This amendment replaces the bill and changes the title. The amendment requires coverage for services provided by licensed naturopathic doctors if those services are within the scope of the license and would be reimbursed if the services were provided by other licensed providers. The amendment also prohibits carriers from excluding a naturopathic doctor from their networks as long as the naturopathic doctor is willing to meet the same terms and conditions as other participating providers.

The requirements apply to all individual and group policies and contracts issued or renewed on or after January 1, 2019.

**Enacted Law Summary**

Public Law 2017, chapter 340 requires health insurance carriers to cover services provided by licensed naturopathic doctors if those services are within the scope of the naturopathic doctors' license and would be reimbursed if the services were provided by other licensed providers. The law also prohibits carriers from excluding a naturopathic doctor from their provider networks as long as the naturopathic doctor is willing to meet the same terms and conditions as other participating providers.

The requirements of Public Law 2017, chapter 340 apply to all individual and group policies and contracts issued or renewed on or after January 1, 2019.

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**LD 1032 An Act To Ensure Protection of Patients**

**Veto Sustained**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRATWICK G	ONTP OTP-AM	S-394

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This bill is a concept draft pursuant to Joint Rule 208. The bill proposes to enact measures designed to ensure the protection and health insurance of patients.

**Committee Amendment "A" (S-394)**

This amendment is the minority report and replaces the bill, which is a concept draft.

The amendment requires a health insurance carrier to accept and respond to prior authorization requests through electronic transmission by January 1, 2019 for prescription drugs and by July 1, 2019 for medical services. The amendment also requires a carrier to make its most current prescription drug formulary available to health care professionals and pharmacists in electronic form at all times.

**LD 1279 An Act To Ensure Patient Protections in the Health Insurance Laws**

**Veto Sustained**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T	ONTP OTP-AM	S-377

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This bill proposes to incorporate three provisions of the federal Patient Protection and Affordable Care Act into state law.

1. It allows children 26 years of age and younger to remain on their parents' health insurance policy.
2. It clarifies that carriers offering individual or group health plans may not establish lifetime or annual limits on the dollar value of benefits.
3. It clarifies that individual, group and blanket health plans may not impose a preexisting condition exclusion on any enrollee.

**Committee Amendment "A" (S-377)**

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

Like the bill, the amendment allows children younger than 26 years of age to remain on their parents' health insurance policy. The amendment adds provisions not included in the bill to make the change also applicable to group health plans and health maintenance organization individual and group health plans.

The amendment clarifies that carriers offering individual or group health plans may not establish lifetime or annual limits on the dollar value of benefits. The amendment specifies that the provision prohibiting annual limits on the dollar value of benefits applies to the dollar value of essential health benefits as determined by the Superintendent

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of Insurance to the extent not inconsistent with federal law.

The amendment retains the provision in the bill prohibiting individual, group and blanket health plans from imposing a preexisting condition exclusion on any enrollee, but adds language to allow a carrier to restrict enrollment in individual health plans to open enrollment and special enrollment periods established in rule.

### **LD 1407     An Act Regarding Prescription Drug Step Therapy**

**Veto Sustained**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROSEN K PIERCE J	OTP-AM	S-245 S-512    HAMPER J

This bill was reported out of committee in the First Regular Session of the 128th Legislature and then carried over to the Second Regular Session on the Special Appropriations Table. This bill was again carried over, still on the Special Appropriations Table, from the Second Regular Session to the next special session by joint order, S.P. 748.

This bill requires health insurers to establish a process for prescription drug step therapy override exception determinations.

#### **Committee Amendment "A" (S-245)**

This amendment does the following.

1. It clarifies that carriers must apply the utilization review standards under current law when acting on a request for a step therapy override exception determination or an appeal of a determination.
2. It replaces certain terminology used in the bill to be consistent with current law.
3. It changes the applicability of the bill's provisions from January 1, 2018 to January 1, 2019.

#### **Senate Amendment "A" To Committee Amendment "A" (S-512)**

This amendment changes the application date from January 1, 2019 as in Committee Amendment "A" to January 1, 2020. It changes the allocation of a provision of law to avoid a conflict with a recently enacted provision of law.

### **LD 1417     An Act To Require Insurance Coverage for the Diagnosis and Treatment of Lyme Disease**

**ONTP**

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

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This bill requires a carrier offering or renewing a health plan in the State to provide coverage to diagnose and treat Lyme disease.



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**LD 1476     An Act To Ensure Continued Coverage for Essential Health Care**

**PUBLIC 343**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREIGHT J CARSON B	OTP-AM	H-595

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This bill incorporates current requirements under the federal Patient Protection and Affordable Care Act for coverage of preventive health services, including services for women, into state law. The bill also requires coverage of certain contraceptive methods and services. The bill directs the Superintendent of Insurance to annually review the recommendations and guidelines for coverage of preventive health services to identify any gaps in the minimum coverage provided by health plans and authorizes the joint standing committee of the Legislature having jurisdiction over health insurance matters to introduce legislation to update the requirements for minimum coverage.

The requirements apply to all individual and group health insurance policies and contracts issued or renewed on or after January 1, 2018.

**Committee Amendment "A" (H-595)**

This amendment replaces the bill and seeks to incorporate current requirements under the federal Patient Protection and Affordable Care Act for coverage of preventive health services, including services for women, into state law. The requirements apply to all individual and group health insurance policies and contracts issued or renewed on or after January 1, 2019.

**Enacted Law Summary**

Public Law 2017, chapter 343 incorporates current requirements under the federal Patient Protection and Affordable Care Act for coverage of preventive health services, including services for women, into state law.

The requirements of Public Law 2017, chapter 343 apply to all individual and group health insurance policies and contracts issued or renewed on or after January 1, 2019.

**LD 1507     An Act To Establish a Student Loan Bill of Rights To Regulate Student Loan Servicers**

**Veto Sustained**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VITELLI E HIGGINS N	OTP-AM ONTP	S-405

This bill was reported out of committee and then recommitted to the committee in the First Regular Session of the 128th Legislature; it was then carried over to the Second Regular Session by joint order, H.P. 1138.

This bill does the following.

1. It creates a position of student loan ombudsman under the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection. The student loan ombudsman's duties include: receiving, reviewing and, if possible, resolving complaints from student loan borrowers; compiling and analyzing student loan borrower data; assisting student loan borrowers to understand their rights and responsibilities; providing information to the public, agencies and legislators regarding concerns of student loan borrowers and making recommendations to resolve them; analyzing and monitoring the development

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and implementation of other legislation and policies that affect student loan borrowers and recommending necessary changes; reviewing student loan history for borrowers who consent; disseminating information about the ombudsman's availability to assist others; establishing and maintaining a student loan borrower education course; and other necessary actions.

2. It requires the superintendent to submit an annual report by January 1st of each year in regard to the effectiveness of the student loan ombudsman and to recommend additional steps necessary to gain regulatory control over licensing and enforcement with respect to student loan servicers.
3. It establishes a licensing procedure for student loan servicers, which includes an investigation of an applicant, along with a license fee and an investigation fee.
4. It identifies prohibited acts for student loan servicers, including employing any scheme, device or artifice to defraud or mislead student loan borrowers.
5. It identifies duties of the superintendent in regard to investigations and examinations of student loan servicers.
6. It requires student loan servicers to comply with all applicable federal laws and regulations related to student loan servicing.
7. It requires the Commissioner of Professional and Financial Regulation to adopt routine technical rules necessary to carry out the provisions in this bill.

### **Committee Amendment "B" (S-405)**

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

The amendment does the following.

1. It establishes a registration procedure for student loan servicers. It provides an exemption from the registration provisions for supervised financial organizations and financial institution holding companies and clarifies that a student loan servicer does not include supervised financial organizations or financial institution holding companies. It also provides an exemption for the Finance Authority of Maine.
2. Beginning January 1, 2021, it requires the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation to submit an annual report by January 1st in regard to the effectiveness of student loan servicer registration and to recommend additional steps necessary to gain regulatory control over registration and enforcement with respect to student loan servicers.
3. It identifies prohibited acts for student loan servicers, including employing any scheme, device or artifice to defraud or mislead student loan borrowers.
4. It requires student loan servicers to comply with all applicable federal laws and regulations related to student loan servicing.
5. It requires the superintendent to adopt routine technical rules necessary to carry out the provisions of this legislation.
6. It adds an appropriations and allocations section.
7. It adds an effective date of January 1, 2019.

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**LD 1663 An Act To Improve the Regulation of Debt Collectors**

**PUBLIC 317**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R	OTP	

This bill modernizes the Maine Fair Debt Collection Practices Act by removing the condition that a debt collector's solicitation of business from Maine creditors be "face to face" before a license must be obtained and by requiring that a debt collector, wherever located, obtain a license before collecting debts from a consumer in this State.

**Enacted Law Summary**

Public Law 2017, chapter 317 modernizes the Maine Fair Debt Collection Practices Act by removing the condition that a debt collector's solicitation of business from Maine creditors be "face to face" before a license must be obtained and by requiring that a debt collector, wherever located, obtain a license before collecting debts from a consumer in this State.

**LD 1677 An Act Regarding the Information Required of Debt Buyers for Debt Collection**

**PUBLIC 318**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SANBORN H	OTP	

This bill amends the law regarding the information that a debt buyer must possess for purposes of debt collection by clarifying that the debt buyer must possess not the principal amount due the original creditor at charge-off, when the creditor removed the debt from its books as an asset and began to treat it as a loss or expense because payment was unlikely, as in current law, but rather the total amount due at charge-off.

**Enacted Law Summary**

Public Law 2017, chapter 318 amends the law regarding the information that a debt buyer must possess for purposes of debt collection by clarifying that the debt buyer must possess not the principal amount due the original creditor at charge-off, when the creditor removed the debt from its books as an asset and began to treat it as a loss or expense because payment was unlikely, as in current law, but rather the total amount due at charge-off.

**LD 1753 An Act To Protect Consumers from Bank Overdraft Fees by Prohibiting the Resequencing of Withdrawal Transactions**

**ONTP**

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

This bill prohibits a bank or credit union from posting withdrawal transactions by amount from largest to smallest or otherwise posting withdrawals in a manner that incurs avoidable overdraft coverage fees.

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**LD 1792      An Act To Improve Market Stability for Maine Residents Purchasing Individual Health Insurance Coverage      ONTP**

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

This bill directs the Board of Directors of the Maine Guaranteed Access Reinsurance Association, before proposing a revised plan of operation to resume operations before December 31, 2023, to study and propose a revised plan of operation that may include changes to current law as long as proposed changes are not made that increase the assessments set forth in the Maine Revised Statutes, Title 24-A, section 3957.

**LD 1875      An Act To Amend the Maine Life and Health Insurance Guaranty Association Act      PUBLIC 382**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R	OTP-AM	S-442

This bill amends the Maine Life and Health Insurance Guaranty Association Act to incorporate changes adopted by the National Association of Insurance Commissioners in its 2017 amendments to its Life and Health Insurance Guaranty Association Model Act.

Under the bill, for insolvencies and impairments occurring on and after July 1, 2018, health maintenance organizations are made members of the association and assessments arising out of long-term care insurance business, which are currently allocated entirely to the health insurance account, are divided equally between the life and health insurance industries.

The bill also makes various conforming amendments and technical corrections to the Maine Life and Health Insurance Guaranty Association Act and the Insurance Rehabilitation and Liquidation Law.

The bill allows an insurer that is a member of the Maine Life and Health Insurance Guaranty Association and is not subject to premium taxation to take the tax credit for certain assessments of the association against its income tax liability to this State. An insurer that is a member of the association and is exempt from both premium taxation and income taxation in this State may recoup these assessments by a surcharge on its premiums in an amount reasonably calculated to recoup these assessments over a reasonable period of time, as approved by the Superintendent of Insurance.

**Committee Amendment "A" (S-442)**

This amendment makes the following technical changes to the bill.

1. It adds a reference to a contract to clarify the application of the exception in the bill to any long-term benefits or health benefits provided through an annuity contract.
2. It clarifies that the exception in current law for obligations that do not arise under the express terms of the policy or contract applies to misrepresentation of annuity contracts.
3. It clarifies the specific provision that provides the guaranty association limits for long-term care insurance.
4. It clarifies that issuers of annuity contracts and health maintenance organizations are members of the guaranty association.

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5. It adds a reference to an enrollee for consistency with other provisions in the bill.

### **Enacted Law Summary**

Public Law 2017, chapter 382 amends the Maine Life and Health Insurance Guaranty Association Act to incorporate changes adopted by the National Association of Insurance Commissioners in its 2017 amendments to its Life and Health Insurance Guaranty Association Model Act.

Under the law, for insolvencies and impairments occurring on and after July 1, 2018, health maintenance organizations are made members of the association and assessments arising out of long-term care insurance business, which are currently allocated entirely to the health insurance account, are divided equally between the life and health insurance industries.

The law also makes various conforming amendments and technical corrections to the Maine Life and Health Insurance Guaranty Association Act and the Insurance Rehabilitation and Liquidation Law.

The law allows an insurer that is a member of the Maine Life and Health Insurance Guaranty Association and is not subject to premium taxation to take the tax credit for certain assessments of the association against its income tax liability to this State. An insurer that is a member of the association and is exempt from both premium taxation and income taxation in this State may recoup these assessments by a surcharge on its premiums in an amount reasonably calculated to recoup these assessments over a reasonable period of time, as approved by the Superintendent of Insurance.

### **LD 1881      An Act To Authorize the Treasurer of State To Facilitate the Establishment of ABLE Accounts for Qualified Persons**

**PUBLIC 394  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M WHITTEMORE R	OTP-AM	H-717

Under the federal Achieving a Better Life Experience Act of 2014, also known as the ABLE Act of 2014, individuals with disabilities and the families of those individuals may establish federal tax-exempt savings accounts and use the funds from those accounts to pay for the care of the individual with a disability, similar to so-called 529 accounts that allow tax-deferred savings for college expenses. Under federal law, a state may establish ABLE Act savings accounts only with the authorization of the state.

The bill authorizes the Treasurer of State to establish the ABLE ME Savings Program in compliance with the ABLE Act of 2014. The Treasurer of State is authorized to adopt routine technical rules to implement the program, including rules to establish the terms and conditions of the program.

### **Committee Amendment "A" (H-717)**

This amendment adds an emergency preamble and emergency clause to the bill.

### **Enacted Law Summary**

Public Law 2017, chapter 394 authorizes the Treasurer of State to establish the ABLE ME Savings Program in compliance with the federal Achieving a Better Life Experience Act of 2014. Under the federal Achieving a Better Life Experience Act of 2014, also known as ABLE Act of 2014, individuals with disabilities and the families of those individuals may establish federal tax-exempt savings accounts and use the funds from those accounts to pay for the care of the individual with a disability, similar to so-called 529 accounts that allow tax-deferred savings for college expenses. Under federal law, a state may establish ABLE Act savings accounts only with the authorization of the State. The Treasurer of State may adopt routine technical rules to implement the program, including rules to

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establish the terms and conditions of the program. Under federal law, a state may establish ABLE Act savings accounts only with the authorization of the state.

Public Law 2017, chapter 394 was enacted as an emergency measure effective April 18, 2018.

### LD 1888 An Act To Amend the Workers' Compensation Laws Governing Affiliated Self-insurance Groups

PUBLIC 401

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

This bill amends the workers' compensation laws governing self-insurers. It requires a group self-insurer that provides an irrevocable standby letter of credit as security to file with the Superintendent of Insurance a letter of credit and other agreements or documents relating to the employer's reimbursement obligations.

The bill amends the workers' compensation laws governing the participation of employers in a group self-insurance plan. It requires a group self-insurer to maintain an actuarially determined fully funded trust as security for self-insurance, except that the Superintendent of Insurance may authorize an affiliated group self-insurer meeting certain requirements to secure the liabilities of each of its members. It requires that if the status of a group self-insurer is terminated the required security remains subject to the control of the Workers' Compensation Board until claims against the group self-insurer have been discharged.

The bill removes a requirement that reinsurance contracts name the self-insurer as a coinsured with the Maine Self-Insurance Guarantee Association. It also authorizes a member of a group self-insurer and a successor employer of a member to apply for continuing membership in the group self-insurer.

#### Enacted Law Summary

Public Law 2017, chapter 401 amends the workers' compensation laws governing self-insurers. It requires a group self-insurer that provides an irrevocable standby letter of credit as security to file with the Superintendent of Insurance a letter of credit and other agreements or documents relating to the employer's reimbursement obligations.

The law amends the workers' compensation laws governing the participation of employers in a group self-insurance plan. It requires a group self-insurer to maintain an actuarially determined fully funded trust as security for self-insurance, except that the Superintendent of Insurance may authorize an affiliated group self-insurer meeting certain requirements to secure the liabilities of each of its members. It requires that if the status of a group self-insurer is terminated the required security remains subject to the control of the Workers' Compensation Board until claims against the group self-insurer have been discharged.

The law also removes a requirement that reinsurance contracts name the self-insurer as a coinsured with the Maine Self-Insurance Guarantee Association. It also authorizes a member of a group self-insurer and a successor employer of a member to apply for continuing membership in the group self-insurer.



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**SUBJECT INDEX**

**Banking and Credit Unions**

**Enacted**

LD 968 An Act To Help Prevent Financial Elder Abuse PUBLIC 390

**Not Enacted**

LD 389 An Act To Promote Access to Financial Institutions by Entities That Are Authorized under State Law Veto Sustained

LD 1753 An Act To Protect Consumers from Bank Overdraft Fees by Prohibiting the Resequencing of Withdrawal Transactions ONTP

**Consumer Credit**

**Enacted**

LD 1663 An Act To Improve the Regulation of Debt Collectors PUBLIC 317

LD 1677 An Act Regarding the Information Required of Debt Buyers for Debt Collection PUBLIC 318

**Not Enacted**

LD 660 An Act To Allow Credit and Debit Card Surcharges Majority (ONTP) Report

**Insurance, Health**

**Enacted**

LD 696 An Act To Require Notification of Adverse Changes to Prescription Drug Formularies in Health Plans PUBLIC 429

LD 1030 An Act To Require Health Insurance Coverage for Covered Services Provided by Naturopathic Doctors PUBLIC 340

LD 1476 An Act To Ensure Continued Coverage for Essential Health Care PUBLIC 343

**Not Enacted**

LD 192 An Act To Require Insurance Coverage for Hearing Aids Veto Sustained

LD 453 Resolve, Regarding Insurance Coverage for Alternative Therapies for Addiction and Recovery Died Between Houses

LD 1032 An Act To Ensure Protection of Patients Veto Sustained

LD 1279 An Act To Ensure Patient Protections in the Health Insurance Laws Veto Sustained

LD 1407 An Act Regarding Prescription Drug Step Therapy Veto Sustained

LD 1417 An Act To Require Insurance Coverage for the Diagnosis and Treatment of Lyme Disease ONTP



LD 1792 An Act To Improve Market Stability for Maine Residents Purchasing Individual Health Insurance Coverage ONTP

**Insurance, Regulation and Practices**

**Enacted**

LD 1875 An Act To Amend the Maine Life and Health Insurance Guaranty Association Act PUBLIC 382

**Insurance, Workers' Compensation**

**Enacted**

LD 1888 An Act To Amend the Workers' Compensation Laws Governing Affiliated Self-insurance Groups PUBLIC 401

**Miscellaneous**

**Enacted**

LD 1881 An Act To Authorize the Treasurer of State To Facilitate the Establishment of ABLE Accounts for Qualified Persons PUBLIC 394 EMERGENCY

**Student Loans**

**Not Enacted**

LD 1507 An Act To Establish a Student Loan Bill of Rights To Regulate Student Loan Servicers Veto Sustained