

MAINE STATE LEGISLATURE

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L.D. 1606

Date: 4-4-16

(Filing No. S- 464)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
127TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 647, L.D. 1606, Bill, "An Act To Provide Funding to the Maine Budget Stabilization Fund"

Amend the bill by striking out the title and substituting the following:

'An Act To Provide Funding to the Maine Budget Stabilization Fund and To Make Additional Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2016 and June 30, 2017'

Amend the bill by striking out everything after the title and before the summary and inserting the following:

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

PART A

Sec. A-1. Department to increase wages at state mental health institutions. The Department of Health and Human Services shall increase wages for

COMMITTEE AMENDMENT

1 select personnel at the state mental health institutions. Wages must be increased by \$2
 2 per hour for all Acuity Specialist positions, Licensed Practical Nurse positions, Mental
 3 Health Worker I positions, Mental Health Worker II positions and Mental Health Worker
 4 III positions. Wages must be increased by \$4 per hour for all Nurse I positions, Hospital
 5 Nurse II positions, Hospital Nurse III positions, Hospital Nurse IV positions,
 6 Psychologist III positions and Psychologist IV positions.

7 **Sec. A-2. Appropriations and allocations.** The following appropriations and
 8 allocations are made.

9 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS)**

10 **Disproportionate Share - Dorothea Dix Psychiatric Center 0734**

11 Initiative: Provides funds to increase wages by \$4 per hour for all Nurse I positions,
 12 Hospital Nurse II positions, Hospital Nurse III positions, Hospital Nurse IV positions,
 13 Psychologist III positions and Psychologist IV positions at the state mental health
 14 institutions.

15	GENERAL FUND	2015-16	2016-17
16	Personal Services	\$0	\$231,112
17			
18	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$231,112</u>

19 **Disproportionate Share - Dorothea Dix Psychiatric Center 0734**

20 Initiative: Provides funds to increase wages by \$2 per hour for all Acuity Specialist
 21 positions, Licensed Practical Nurse positions, Mental Health Worker I positions, Mental
 22 Health Worker II positions and Mental Health Worker III positions at the state mental
 23 health institutions.

24	GENERAL FUND	2015-16	2016-17
25	Personal Services	\$0	\$77,625
26			
27	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$77,625</u>

28 **Disproportionate Share - Riverview Psychiatric Center 0733**

29 Initiative: Provides funds to increase wages by \$2 per hour for all Acuity Specialist
 30 positions, Licensed Practical Nurse positions, Mental Health Worker I positions, Mental
 31 Health Worker II positions and Mental Health Worker III positions at the state mental
 32 health institutions.

33	GENERAL FUND	2015-16	2016-17
34	Personal Services	\$0	\$318,317
35			
36	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$318,317</u>

1 **Disproportionate Share - Riverview Psychiatric Center 0733**

2 Initiative: Provides funds to increase wages by \$4 per hour for all Nurse I positions,
 3 Hospital Nurse II positions, Hospital Nurse III positions, Hospital Nurse IV positions,
 4 Psychologist III positions and Psychologist IV positions at the state mental health
 5 institutions.

6	GENERAL FUND	2015-16	2016-17
7	Personal Services	\$0	\$304,229
8			
9	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$304,229</u>

10 **Dorothea Dix Psychiatric Center 0120**

11 Initiative: Provides funds to increase wages by \$4 per hour for all Nurse I positions,
 12 Hospital Nurse II positions, Hospital Nurse III positions, Hospital Nurse IV positions,
 13 Psychologist III positions and Psychologist IV positions at the state mental health
 14 institutions.

15	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
16	Personal Services	\$0	\$410,019
17			
18	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$410,019</u>

19 **Dorothea Dix Psychiatric Center 0120**

20 Initiative: Provides funds to increase wages by \$2 per hour for all Acuity Specialist
 21 positions, Licensed Practical Nurse positions, Mental Health Worker I positions, Mental
 22 Health Worker II positions and Mental Health Worker III positions at the state mental
 23 health institutions.

24	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
25	Personal Services	\$0	\$137,717
26			
27	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$137,717</u>

28 **Riverview Psychiatric Center 0105**

29 Initiative: Provides funds to increase wages by \$4 per hour for all Nurse I positions,
 30 Hospital Nurse II positions, Hospital Nurse III positions, Hospital Nurse IV positions,
 31 Psychologist III positions and Psychologist IV positions at the state mental health
 32 institutions.

1	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
2	Personal Services	\$0	\$539,739
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$539,739</u>

5 **Riverview Psychiatric Center 0105**

6 Initiative: Provides funds to increase wages by \$2 per hour for all Acuity Specialist
 7 positions, Licensed Practical Nurse positions, Mental Health Worker I positions, Mental
 8 Health Worker II positions and Mental Health Worker III positions at the state mental
 9 health institutions.

10	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
11	Personal Services	\$0	\$564,733
12			
13	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$564,733</u>

14	HEALTH AND HUMAN SERVICES,		
15	DEPARTMENT OF (FORMERLY BDS)		
16	DEPARTMENT TOTALS	2015-16	2016-17
17			
18	GENERAL FUND	\$0	\$931,283
19	OTHER SPECIAL REVENUE FUNDS	\$0	\$1,652,208
20			
21	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$2,583,491</u>

22 **PART B**

23 **Sec. B-1. Reimbursement for personal care and related services.** The
 24 Department of Health and Human Services shall amend its rules for reimbursement rates
 25 for personal care and related services provided under rule Chapter 101: MaineCare
 26 Benefits Manual, Chapter III, Sections 12, 19 and 96 and Chapter 5, Office of Elder
 27 Services Policy Manual, Section 63 to reflect 50% of the increase in rates noted in the
 28 final rates modeled in the February 1, 2016 report "Rate Review for Personal Care and
 29 Related Services: Final Rate Models" prepared for the department by Burns &
 30 Associates, Inc. Rules adopted pursuant to this section are routine technical rules
 31 pursuant to the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

32 **Sec. B-2. Unstaffed hours and waiting lists.** The Department of Health and
 33 Human Services shall estimate the number of hours, and the cost of those hours, of unmet
 34 need under rule Chapter 101: MaineCare Benefits Manual, Chapter III, Sections 12, 19,
 35 40 and 96 and Chapter 5, Office of Elder Services Policy Manual, Section 63. The
 36 estimate must include individuals eligible for services but on a waiting list and
 37 individuals who are entitled to services that are eligible for reimbursement but are unable
 38 to locate individuals or agencies to provide those services.

1 Resources that are included in the Maine State Police bargaining unit, the law
2 enforcement bargaining unit or the supervisory services bargaining unit must be adjusted
3 upward by the percentages indicated in this section.

4 **1. Twelve percent increase.** The salary schedules must be adjusted upward by 12%
5 for all positions classified as Game Warden Sergeant, Game Warden Lieutenant, Marine
6 Patrol Pilot Supervisor, Marine Patrol Sergeant or Marine Patrol Lieutenant.

7 **2. Thirteen percent increase.** The salary schedules must be adjusted upward by
8 13% for all positions classified as State Police Trooper, Game Warden Investigator,
9 Game Warden Specialist, Capitol Police Officer or Fire Investigator.

10 **3. Fourteen percent increase.** The salary schedules must be adjusted upward by
11 14% for all positions classified as Game Warden Pilot Supervisor.

12 **4. Fifteen percent increase.** The salary schedules must be adjusted upward by 15%
13 for all positions classified as State Police Specialist, State Police Corporal, State Police
14 Detective, State Police Polygraph Examiner, State Police Forensic Specialist, State Police
15 Pilot, State Police Pilot Supervisor, State Police Polygraph Examiner Supervisor, State
16 Police Sergeant-E, Game Warden, Marine Patrol Officer, Capitol Police Sergeant, Senior
17 Fire Investigator, Fire Investigations Sergeant or Forensic Specialist, Dual Discipline.

18 **5. Seventeen percent increase.** The salary schedules must be adjusted upward by
19 17% for all positions classified as Game Warden Pilot.

20 **6. Eighteen percent increase.** The salary schedules must be adjusted upward by
21 18% for all positions classified as State Police Lieutenant, Capitol Police Lieutenant or
22 Marine Patrol Specialist.

23 **Sec. C-2. Salary schedule for law enforcement supervisors changed.** The
24 Department of Administrative and Financial Services, Bureau of Human Resources shall
25 amend by August 1, 2016 its rules regarding compensation to ensure that the fixed salary
26 schedule for positions classified as law enforcement supervisors within the Department of
27 Agriculture, Conservation and Forestry and the Baxter State Park Authority is increased
28 by 5%.

29 **Sec. C-3. Certain law enforcement confidential positions; similar and**
30 **equitable treatment.** The Department of Administrative and Financial Services,
31 Bureau of Human Resources shall adjust upward the salary schedules for those law
32 enforcement confidential positions in the Department of Public Safety, the Department of
33 Inland Fisheries and Wildlife and the Department of Marine Resources that the bureau
34 determines to be similar to the law enforcement positions listed in section 1 of this Part.
35 The salary schedules must be adjusted consistently with the salary adjustment for the law
36 enforcement positions listed in section 1 of this Part. For the purposes of this section,
37 "confidential position" means a position within the executive branch that is a position
38 excluded from bargaining units pursuant to the Maine Revised Statutes, Title 26, section
39 979-A, subsection 6, paragraphs B, C, D, I and J, including a probationary employee in
40 such an excluded position.

41 **Sec. C-4. Positions subject to adjustment or approval by the Governor.**
42 The Governor may adjust in a manner consistent with the salary adjustment for the law
43 enforcement positions listed in section 1 of this Part the salary schedules for unclassified

1 law enforcement positions in the Department of Public Safety, the Department of Inland
2 Fisheries and Wildlife and the Department of Marine Resources whose salaries are
3 subject to the Governor's adjustment or approval.

4 **Sec. C-5. Transfer from Salary Plan program and special account**
5 **funding.** The funds in the Salary Plan program, General Fund account within the
6 Department of Administrative and Financial Services may be used as needed in allotment
7 by financial order upon the recommendation of the State Budget Officer and approval of
8 the Governor to be used for the economic items contained in this Part and in Public Law
9 2015, chapter 376 in fiscal year 2016-17. Positions supported from sources other than the
10 General Fund and the Highway Fund must be funded from those other sources. Transfers
11 from the Salary Plan program pursuant to this Part may not exceed \$939,883 in fiscal
12 year 2015-16 and \$6,088,514 in fiscal year 2016-17.

13 **PART D**

14 **Sec. D-1. Distributions by Department of Corrections.** The Department of
15 Corrections shall distribute the funds appropriated in this Part prior to June 30, 2016 on
16 the basis of the financial needs of each county jail and the regional jail. The department
17 shall determine the financial needs of the jails in cooperation with the Maine County
18 Commissioners Association and the Maine Sheriffs' Association, taking into
19 consideration the revenues and verified expenditures of each jail and the use of tax
20 assessments by each county as allowed by the Maine Revised Statutes, Title 30-A,
21 section 701, subsection 2-C.

22 **Sec. D-2. Appropriations and allocations.** The following appropriations and
23 allocations are made.

24 **CORRECTIONS, DEPARTMENT OF**

25 **County Jail Operations Fund Z194**

26 Initiative: Provides one-time funding for the County Jail Operations Fund to meet
27 funding needs for the operation of the State's county jails and regional jail.

28	GENERAL FUND	2015-16	2016-17
29	All Other	\$2,465,896	\$0
30			
31	GENERAL FUND TOTAL	\$2,465,896	\$0

32 **PART E**

33 **Sec. E-1. 24-A MRSA §4317, sub-§12** is enacted to read:

34 **12. Maximum allowable cost.** This subsection governs the maximum allowable
35 cost for a prescription drug as determined by a pharmacy benefits manager.

36 A. As used in this subsection, "maximum allowable cost" means the maximum
37 amount that a pharmacy benefits manager pays toward the cost of a prescription drug.

- 1 B. A pharmacy benefits manager may set a maximum allowable cost for a
2 prescription drug, or allow a prescription drug to continue on a maximum allowable
3 cost list, only if that prescription drug:
- 4 (1) Is rated as "A" or "B" in the most recent version of the United States Food
5 and Drug Administration's "Approved Drug Products with Therapeutic
6 Equivalence Evaluations," also known as "the Orange Book," or an equivalent
7 rating from a successor publication, or is rated as "NR" or "NA" or a similar
8 rating by a nationally recognized pricing reference; and
- 9 (2) Is not obsolete and is generally available for purchase in this State from a
10 national or regional wholesale distributor by pharmacies having a contract with
11 the pharmacy benefits manager.
- 12 C. A pharmacy benefits manager shall establish a process for removing a
13 prescription drug from a maximum allowable cost list or modifying a maximum
14 allowable cost for a prescription drug in a timely manner to remain consistent with
15 changes to such costs and the availability of the drug in the national marketplace.
- 16 D. With regard to a pharmacy with which the pharmacy benefits manager has
17 entered into a contract, a pharmacy benefits manager shall:
- 18 (1) Upon request, disclose the sources used to establish the maximum allowable
19 costs used by the pharmacy benefits manager;
- 20 (2) Provide a process for a pharmacy to readily obtain the maximum allowable
21 reimbursement available to that pharmacy under a maximum allowable cost list;
22 and
- 23 (3) At least once every 7 business days, review and update maximum allowable
24 cost list information to reflect any modification of the maximum allowable
25 reimbursement available to a pharmacy under a maximum allowable cost list
26 used by the pharmacy benefits manager.
- 27 E. A pharmacy benefits manager shall provide a reasonable administrative appeal
28 procedure, including a right to appeal that is limited to 14 days following the initial
29 claim, to allow pharmacies with which the pharmacy benefits manager has a contract
30 to challenge maximum allowable costs for a specified drug.
- 31 F. The pharmacy benefits manager shall respond to, investigate and resolve an
32 appeal under paragraph E within 14 days after the receipt of the appeal. The
33 pharmacy benefits manager shall respond to an appeal as follows:
- 34 (1) If the appeal is upheld, the pharmacy benefits manager shall make the
35 appropriate adjustment in the maximum allowable cost and permit the
36 challenging pharmacy or pharmacist to reverse and rebill the claim in question; or
- 37 (2) If the appeal is denied, the pharmacy benefits manager shall provide the
38 challenging pharmacy or pharmacist the national drug code from national or
39 regional wholesalers of a comparable prescription drug that may be purchased at
40 or below the maximum allowable cost.

1	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
2	All Other	\$13,413	\$53,653
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$13,413</u>	<u>\$53,653</u>

5 **Office of Substance Abuse and Mental Health Services - Medicaid Seed 0844**
6 Initiative: Provides funding for additional payments to providers.

7	GENERAL FUND	2015-16	2016-17
8	All Other	\$6,260	\$24,019
9			
10	GENERAL FUND TOTAL	<u>\$6,260</u>	<u>\$24,019</u>

11	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
12	All Other	\$1,199	\$4,796
13			
14	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$1,199</u>	<u>\$4,796</u>

15	HEALTH AND HUMAN SERVICES,		
16	DEPARTMENT OF (FORMERLY BDS)		
17	DEPARTMENT TOTALS	2015-16	2016-17
18			
19	GENERAL FUND	\$343,561	\$1,318,097
20	OTHER SPECIAL REVENUE FUNDS	\$65,795	\$263,181
21			
22	DEPARTMENT TOTAL - ALL FUNDS	<u>\$409,356</u>	<u>\$1,581,278</u>

23 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**
24 **Medical Care - Payments to Providers 0147**
25 Initiative: Provides funding for additional payments to providers.

26	GENERAL FUND	2015-16	2016-17
27	All Other	\$139,442	\$534,978
28			
29	GENERAL FUND TOTAL	<u>\$139,442</u>	<u>\$534,978</u>

30	FEDERAL EXPENDITURES FUND	2015-16	2016-17
31	All Other	\$966,158	\$3,943,566
32			

1	FEDERAL EXPENDITURES FUND TOTAL	\$966,158	\$3,943,566
2	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
3	All Other	\$26,704	\$106,818
4			
5	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$26,704</u>	<u>\$106,818</u>
6	HEALTH AND HUMAN SERVICES,		
7	DEPARTMENT OF (FORMERLY DHS)		
8	DEPARTMENT TOTALS	2015-16	2016-17
9			
10	GENERAL FUND	\$139,442	\$534,978
11	FEDERAL EXPENDITURES FUND	\$966,158	\$3,943,566
12	OTHER SPECIAL REVENUE FUNDS	\$26,704	\$106,818
13			
14	DEPARTMENT TOTAL - ALL FUNDS	<u>\$1,132,304</u>	<u>\$4,585,362</u>
15	SECTION TOTALS	2015-16	2016-17
16			
17	GENERAL FUND	\$483,003	\$1,853,075
18	FEDERAL EXPENDITURES FUND	\$966,158	\$3,943,566
19	OTHER SPECIAL REVENUE FUNDS	\$92,499	\$369,999
20			
21	SECTION TOTAL - ALL FUNDS	<u>\$1,541,660</u>	<u>\$6,166,640</u>

22 **PART G**

23 **Sec. G-1. 36 MRSA §5217-D, sub-§2, ¶B,** as amended by PL 2015, c. 267, Pt.
 24 **QQQ, §4** and affected by §6, is further amended to read:

25 B. A taxpayer may claim a credit based on loan payments actually made to a relevant
 26 lender or lenders under this section only with respect to loans that are part of the
 27 qualified individual's financial aid package and, for tax years beginning on or after
 28 January 1, 2015, only with respect to loan payment amounts paid by the taxpayer
 29 during that part of the taxable year that the qualified individual worked in this State.
 30 Payment of loan amounts in excess of the amounts due during the taxable year does
 31 not qualify for the credit. ~~Refinanced~~ For tax years beginning before January 1, 2015,
 32 refinanced loans that are part of the qualified individual's financial aid package are
 33 eligible for the credit under this section if the refinanced loans remain separate from
 34 other debt, including debt incurred in an educational program other than the degree
 35 program for which a credit is claimed under this section. For tax years beginning on
 36 or after January 1, 2015, refinanced loans or consolidated loans that are part of the

1 qualified individual's financial aid package are eligible for the credit under this
2 section if the refinanced loans or consolidated loans remain separate from other debt,
3 except for debt incurred in an educational program, but only in proportion to the
4 portion of the loan payments that are otherwise eligible under this section.
5 Forbearance or deferment of loan payments does not affect eligibility for the credit
6 under this section. For tax years beginning on or after January 1, 2015, an individual
7 who worked in this State for any part of a month during the Maine residency period
8 of the taxable year is considered to have worked in this State for the entire month.
9 For tax years beginning on or after January 1, 2015, an individual who worked
10 outside this State for an entire month during the Maine residency period is considered
11 to have worked in this State during that month, except that in no case may this
12 exception exceed 3 months during the Maine residency period of the taxable year.

13 **PART H**

14 **Sec. H-1. 36 MRSA §5217-D, sub-§1, ¶B-1,** as amended by PL 2015, c. 300,
15 Pt. A, §42 and amended by c. 328, §5, is repealed and the following enacted in its place:

16 B-1. "Financial aid package" means financial aid obtained by a student for
17 attendance at an accredited Maine community college, college or university. For
18 purposes of a qualified individual claiming a credit under this section for tax years
19 beginning on or after January 1, 2013 but before January 1, 2016 who is eligible for a
20 credit under paragraph G, subparagraph (1), division (a), "financial aid package" may
21 include financial aid obtained for up to 30 credit hours of course work at an
22 accredited non-Maine community college, college or university earned prior to
23 transfer to an accredited Maine community college, college or university, if the 30
24 credit hours were earned after December 31, 2007 and the transfer occurred after
25 December 31, 2012. For purposes of a qualified individual claiming a credit under
26 this section for tax years beginning on or after January 1, 2016 who is eligible for a
27 credit under paragraph G, subparagraph (1), division (a-1), "financial aid package"
28 may include financial aid obtained by a student for attendance at an accredited non-
29 Maine community college, college or university after December 31, 2007. For
30 purposes of a qualified individual claiming a credit under this section for tax years
31 beginning on or after January 1, 2016 who is eligible for a credit under paragraph G,
32 subparagraph (1), division (b), "financial aid package" may include financial aid
33 obtained by a student for attendance at an accredited non-Maine community college,
34 college or university after December 31, 2007. For purposes of a qualified individual
35 claiming a credit under this section for tax years beginning on or after January 1,
36 2016 who is eligible for a credit under paragraph G, subparagraph (1), division (c),
37 "financial aid package" may include financial aid obtained by a student for attendance
38 at an accredited Maine college or university after December 31, 2007. For purposes
39 of an employer claiming a credit under this section for tax years beginning on or after
40 January 1, 2013, "financial aid package" may include financial aid obtained by a
41 qualified employee for attendance at an accredited non-Maine community college,
42 college or university. "Financial aid package" may include private loans or less than
43 the full amount of loans under federal programs, depending on the practices of the
44 accredited Maine or non-Maine community college, college or university. Loans are
45 includable in the financial aid package only if entered into prior to July 1, 2023.

1 **Sec. H-2. 36 MRSA §5217-D, sub-§1, ¶E**, as amended by PL 2013, c. 525, §15,
2 is further amended to read:

3 E. "Qualified employee" means an employee who is employed at least part time and
4 who is a qualified individual or who would be a qualified individual except that the
5 employee's associate or bachelor's degree was awarded by an accredited non-Maine
6 community college, college or university.

7 For tax years beginning on or after January 1, 2016, "qualified employee" means an
8 employee who is employed at least part time and who is a qualified individual or who
9 would be a qualified individual except that the employee's associate, bachelor's or
10 graduate degree was awarded by an accredited non-Maine community college,
11 college or university.

12 **Sec. H-3. 36 MRSA §5217-D, sub-§1, ¶G**, as amended by PL 2015, c. 328, §6,
13 is further amended to read:

14 G. "Qualified individual" means an individual, including the spouse filing a joint
15 return with the individual under section 5221, who is eligible for the credit provided
16 in this section. An individual is eligible for the credit if the individual:

17 (1) Attended and obtained:

18 (a) An associate or bachelor's degree from an accredited Maine community
19 college, college or university after December 31, 2007 but before January 1,
20 2016. The individual need not obtain the degree from the institution in which
21 that individual originally enrolled as long as all course work toward the
22 degree is performed at an accredited Maine community college, college or
23 university, except that an individual who transfers to an accredited Maine
24 community college, college or university after December 31, 2012 but before
25 January 1, 2016 from outside the State and earned no more than 30 credit
26 hours of course work toward the degree at an accredited non-Maine
27 community college, college or university after December 31, 2007 and prior
28 to the transfer is eligible for the credit if all other eligibility criteria are met.
29 Program eligibility for such an individual must be determined as if the
30 commencement of course work at the relevant accredited Maine community
31 college, college or university was the commencement of course work for the
32 degree program as a whole. This division does not apply to tax years
33 beginning after December 31, 2015;

34 (a-1) For tax years beginning on or after January 1, 2016, an associate or
35 bachelor's degree from an accredited Maine community college, college or
36 university after December 31, 2007 but before January 1, 2016, regardless of
37 whether the individual earned credit hours of course work toward the degree
38 outside the State;

39 (b) An associate or bachelor's degree from an accredited Maine or non-
40 Maine community college, college or university after December 31, 2015; or

41 (c) A graduate degree from an accredited Maine college or university after
42 December 31, 2015;

- 1 (4) During the taxable year, was a resident individual; and
- 2 (5) Worked during the taxable year:
 - 3 (a) For tax years beginning prior to January 1, 2015, at least part time for an
 - 4 employer located in this State or, for tax years beginning on or after January
 - 5 1, 2013, was, during the taxable year, deployed for military service in the
 - 6 United States Armed Forces, including the National Guard and the Reserves
 - 7 of the United States Armed Forces; ~~or~~
 - 8 (b) For tax years beginning on or after January 1, 2015, at least part time in
 - 9 this State for an employer or as a self-employed individual or was, during the
 - 10 taxable year, deployed for military service in the United States Armed
 - 11 Forces, including the National Guard and the Reserves of the United States
 - 12 Armed Forces; or
 - 13 (c) For tax years beginning on or after January 1, 2016, at least part time in a
 - 14 position on a vessel at sea.

15 As used in this subparagraph, "deployed for military service" has the same
16 meaning as in Title 26, section 814, subsection 1, paragraph A.

17 **Sec. H-4. 36 MRSA §5217-D, sub-§5**, as amended by PL 2013, c. 525, §15, is
18 further amended to read:

19 **5. Calculation of the credit; employers.** Subject to subsection 2, a taxpayer
20 constituting an employer making loan payments directly to a lender during the taxable
21 year on loans included in a qualified employee's financial aid package may claim a credit
22 equal to the benchmark loan payment or the actual monthly loan payment made by the
23 employer on the loans, whichever is less, multiplied by the number of months during the
24 taxable year the employer made loan payments on behalf of the qualified employee
25 during the term of employment. For tax years beginning on or after January 1, 2016,
26 subject to subsection 2, a taxpayer constituting an employer making loan payments
27 directly to a lender during the taxable year on loans included in a qualified employee's
28 financial aid package may claim a credit equal to the actual monthly loan payment made
29 by the employer on the loans multiplied by the number of months during the taxable year
30 the employer made loan payments on behalf of the qualified employee during the term of
31 employment. The credit under this subsection may not be claimed with respect to months
32 of the taxable year during which the employee was not a qualified employee.

33 If the qualified employee is employed on a part-time basis during the taxable year, the
34 credit with respect to that employee is limited to 50% of the credit otherwise determined
35 under this subsection.

36 **PART I**

37 **Sec. I-1. Transfer to Maine Budget Stabilization Fund for fiscal year**
38 **2015-16.** The State Controller shall transfer \$44,500,000 to the Maine Budget
39 Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1532 from
40 the unappropriated surplus of the General Fund no later than June 30, 2016.

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Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.'

SUMMARY

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

PART A

This Part increases wages for select personnel at the state mental health institutions.

PART B

This Part directs the Department of Health and Human Services to amend its rules to increase the reimbursement rates for personal care and related services to reflect 50% of the increase in rates noted in the final rates modeled in the February 1, 2016 report "Rate Review for Personal Care and Related Services: Final Rate Models."

It requires the Department of Health and Human Services to estimate the number of hours, and cost of those hours, of unmet need. The estimate must include individuals eligible for services but who are on waiting lists and individuals eligible for services who are unable to find staffing to provide those services.

PART C

This Part provides for the upward adjustment of salary schedules in fiscal year 2015-16 by 12% to 18% for certain law enforcement positions in the Department of Public Safety, the Department of Inland Fisheries and Wildlife and the Department of Marine Resources beginning with the pay period closest to May 1, 2016. This Part provides for a 5% salary increase to law enforcement supervisors within the Department of Agriculture, Conservation and Forestry and the Baxter State Park Authority. This Part provides for a similar salary schedule adjustment for certain law enforcement confidential employees in those departments and allows the Governor to make similar salary schedule adjustments to unclassified law enforcement positions in those departments that are subject to the Governor's adjustment or approval. This Part authorizes use of the Salary Plan program to fund the adjustments and provides that certain law enforcement positions supported from other funds must be funded whenever possible from those other sources.

PART D

This Part provides one-time funding for the operation of the State's county jails and regional jail.

PART E

This Part establishes certain requirements relating to maximum allowable cost pricing lists used by pharmacy benefits managers.

1 This Part provides that a pharmacy benefits manager may set a maximum allowable
2 cost for a prescription drug only if that drug is rated as "A" or "B" in the most recent
3 version of the United States Food and Drug Administration's "Approved Drug Products
4 with Therapeutic Equivalence Evaluations," also known as "the Orange Book," or an
5 equivalent rating from a successor publication, or is rated as "NR" or "NA" or a similar
6 rating by a nationally recognized pricing reference and the drug is not obsolete and is
7 generally available for purchase in this State.

8 This Part requires a pharmacy benefits manager to remove or modify in a timely
9 manner a maximum allowable cost for a prescription drug as necessary for the cost of the
10 prescription drug to remain consistent with changes to such costs and availability of the
11 drug in the national marketplace for prescription drugs.

12 This Part requires a pharmacy benefits manager to provide the following to a
13 pharmacy with which the pharmacy benefits manager has a contract:

14 1. Disclose the sources used to establish the maximum allowable costs used by the
15 pharmacy benefits manager upon request;

16 2. Provide a process for a pharmacy to readily obtain the maximum allowable
17 reimbursement available to that pharmacy under a maximum allowable cost list; and

18 3. At least once every 7 business days, review and update maximum allowable cost
19 list information to reflect any modification of the maximum allowable reimbursement
20 available to a pharmacy under a maximum allowable cost list used by the pharmacy
21 benefits manager.

22 This Part establishes an appeal process to allow a pharmacy to challenge a drug's
23 maximum allowable cost under certain conditions.

24 This Part specifies that the provisions apply to contracts between a pharmacy benefits
25 manager and a pharmacy beginning September 1, 2016.

26 **PART F**

27
28 This Part provides funding for an increase in reimbursement rates to eligible
29 MaineCare providers for the last 3 months of fiscal year 2015-16 and for fiscal year
30 2016-17. The purpose of the additional funding is to offset the imposition of the service
31 provider tax, which increased January 1, 2016.

32 **PART G**

33
34 This Part allows a portion of a consolidated loan that is a qualifying education loan to
35 be eligible for the educational opportunity tax credit beginning with tax year 2015. It also
36 provides that only a qualifying education loan that is consolidated with a nonqualifying
37 education loan is eligible.

38 **PART H**

39
40 This Part, for tax years beginning on or after January 1, 2016, allows a qualified
41 individual who earned a bachelor's or associate degree from an accredited Maine
42 community college, college or university after December 31, 2007 but before January 1,

1 2016 to be eligible for the educational opportunity tax credit regardless of the number of
2 transfer credits earned at a non-Maine community college, college or university. Under
3 current law, an individual who earned more than 30 credit hours from a non-Maine
4 community college, college or university prior to 2016 does not qualify for the credit.

5 The Part, for tax years beginning on or after January 1, 2016, allows a resident of
6 Maine who is employed at least part time in a position on a vessel at sea to qualify for the
7 educational opportunity tax credit. Under current law, an individual, other than an
8 individual deployed for military service, does not qualify for the credit if the individual
9 works outside Maine for more than 3 months.

10 The Part, for tax years beginning on or after January 1, 2016, encourages employers
11 to pay student loan payments by expanding the employer credit to include graduate
12 degrees earned by qualified employees and by removing the principal cap relative to
13 qualified employees.

14 **PART I**
15

16 This Part requires the transfer of \$44,500,000 in fiscal year 2015-16 from the
17 unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund.

FISCAL NOTE REQUIRED
(See Attached)



127th MAINE LEGISLATURE

LD 1606

LR 2716(02)

An Act To Provide Funding to the Maine Budget Stabilization Fund

Fiscal Note for Bill as Amended by Committee Amendment "A" (5-464)
 Committee: Appropriations and Financial Affairs
 Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$47,473,399	\$7,179,558	\$7,853,653	\$8,567,153
Highway Fund	\$0	\$0	\$3,244	\$3,244
Appropriations/Allocations				
General Fund	\$2,948,899	\$6,784,358	\$6,843,953	\$6,843,953
Highway Fund	\$0	\$0	\$3,244	\$3,244
Federal Expenditures Fund	\$966,158	\$8,864,258	\$8,983,120	\$8,983,120
Other Special Revenue Funds	\$92,499	\$2,022,207	\$2,033,251	\$2,033,251
Revenue				
General Fund	(\$24,500)	(\$395,200)	(\$1,009,700)	(\$1,723,200)
Federal Expenditures Fund	\$966,158	\$8,864,258	\$8,983,120	\$8,983,120
Other Special Revenue Funds	\$91,999	\$2,014,207	\$2,012,251	\$1,998,251
Transfers				
General Fund	(\$44,500,000)	\$0	\$0	\$0
Fund Detail by Section				
Appropriations/Allocations				
General Fund				
PART A, Section 2	\$0	\$931,283	\$920,239	\$920,239
PART B, Section 3	\$0	\$4,000,000	\$4,000,000	\$4,000,000
PART D, Section 2	\$2,465,896	\$0	\$0	\$0
PART E, Section 1	\$0	\$0	\$97,155	\$97,155
PART F, Section 1	\$483,003	\$1,853,075	\$1,826,559	\$1,826,559
Highway Fund				
PART E, Section 1	\$0	\$0	\$3,244	\$3,244

Federal Expenditures Fund

PART B, Section 3	\$0	\$4,920,692	\$5,013,037	\$5,013,037
PART F, Section 1	\$966,158	\$3,943,566	\$3,970,083	\$3,970,083

Other Special Revenue Funds

PART A, Section 2	\$0	\$1,652,208	\$1,663,252	\$1,663,252
PART F, Section 1	\$92,499	\$369,999	\$369,999	\$369,999

Revenue**General Fund**

PART G, Section 1	(\$24,500)	\$0	\$0	\$0
PART H, Section 1	\$0	(\$395,200)	(\$1,009,700)	(\$1,723,200)

Federal Expenditures Fund

PART B, Section 3	\$0	\$4,920,692	\$5,013,037	\$5,013,037
PART F, Section 1	\$966,158	\$3,943,566	\$3,970,083	\$3,970,083

Other Special Revenue Funds

PART A, Section 2	\$0	\$1,652,208	\$1,663,252	\$1,663,252
PART F, Section 1	\$92,499	\$369,999	\$369,999	\$369,999
PART G, Section 1	(\$500)	\$0	\$0	\$0
PART H, Section 1	\$0	(\$8,000)	(\$21,000)	(\$35,000)

Transfers**General Fund**

PART I, Section 1	(\$44,500,000)	\$0	\$0	\$0
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Fiscal Detail and Notes

Part A provides a General Fund appropriation of \$931,283 in fiscal year 2016-17 to increase wages for selected positions at state mental health facilities. Part A also includes an Other Special Revenue Funds allocation of \$1,652,208 for the Federal Medical Assistance Percentage (FMAP) match for these costs.

Part B provides a General Fund appropriation of \$4,000,000 in fiscal year 2016-17 for rate increases for personal support and related services. Part B also includes Federal Expenditures Fund allocations required for the FMAP match.

Part C authorizes the use of funds in the Salary Plan program, up to \$939,883 in fiscal year 2015-16 and up to \$6,088,514 in fiscal year 2016-17 to provide pay increases for certain law enforcement employees.

Part D provides a General Fund appropriation of \$2,465,896 in fiscal year 2015-16 for the County Jail Operations Fund within the Department of Corrections.

Part E will increase costs to the State Employee Health Plan due to the change in the maximum allowable costs list rules for pharmacy benefits managers for contracts beginning on or after September 1, 2016. The bill would not have any impact on the current biennial budget since the State's contract with a pharmacy benefits manager ends on June 30, 2017. Moving forward it is estimated that there will be an annual cost of \$97,155 to the General Fund and \$3,244 to the Highway Fund for contributions to the costs of the State Employee Health Plan.

Part F provides General Fund appropriations to the Department of Health and Human Services of \$483,003 in fiscal year 2015-16 and \$1,853,075 in fiscal year 2016-17 and Other Special Revenue Funds allocations of \$92,499 in fiscal year 2015-16 and \$369,999 in fiscal year 2016-17 for additional payments to MaineCare providers who are subject to Maine's Service Provider Tax. Federal Expenditures Fund allocations are also included for the FMAP match.

Part G provides that consolidated loans are eligible for the educational opportunity tax credit in tax year 2015 provided that the consolidated loans only include educational loans. This would reduce General Fund revenue by \$24,500 in fiscal year 2015-16 and reduce Local Government Fund revenue by \$500 in fiscal year 2015-16.

Part H expands the educational opportunity tax credit and would reduce General Fund and Local Government Fund revenue by \$395,200 and \$8,000, respectively, in fiscal year 2016-17.

Part I transfers \$44,500,000 in fiscal year 2015-16 from the unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund.