

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



1150

AN ACT TO AMEND AND SUPPLEMENT Rep. MacEachern  
CERTAIN POWERS OF HOSPITAL  
ADMINISTRATIVE DISTRICT NO. 1

HSE-EMER. ENACT.  
SEN-EMER. ENACT.  
GOV-EMER. SIGNED  
P&SL 83, c. 19

SUMMARY: As passed in new draft of LD 194, the bill allowed the increase in the fee, and established the form of a referendum involving capital expenditures for a Certificate of Need application, when the expenditure would be in excess of a threshold specified in law. The district is allowed up to 2 years (previously 1 year) to pay back notes issued in anticipation of revenues.

The Senate Amendment (S-30) added the emergency language to the bill.

1174 AN ACT TO INCREASE PUBLIC  
DISCLOSURE AND ACCOUNTABILITY  
WITH RESPECT TO REVIEW OF  
HOSPITAL BUDGETS, TO INITIATE  
A PROSPECTIVE PAYMENT SYSTEM  
FOR MEDICAID, TO ANALYZE AND  
APPROVE APPROPRIATE PAYOR  
DIFFERENTIALS, AND TO EXTEND  
THE SUNSET PROVISIONS OF THE  
HEALTH FACILITIES INFORMATION  
DISCLOSURE ACT AND FOR OTHER  
PURPOSES

Sen. Twitchell

HSE-ACCP LV/WD  
SEN-ACCP LV/WD

SUMMARY: This bill was presented on behalf of the Maine Hospital Association as an alternative to the Governor's Cost-Containment bill.

The bill retained some features of the current system, such as the Health Facilities Cost Review Board and the Voluntary Budget Review Organization, but reconstituted membership on the former by adding representative of the insurance industry, 2 physicians and 3 more consumers. It also required the performance standards to address specific items, such as inflation, replacement costs of facilities and equipment, and the HFCR Board was to determine justifiable differentials among different classes of payors for hospital services. A prospective payment system would be established for hospitals under Medicaid, and each hospital would have to justify changes in its prospective budget from the previous year's approved budget. It also extended the sunset provisions of the Health Facilities Information Disclosure Act from 1983 to 1986.

The bill was referred to in the deliberations on LD 1353, which became the vehicle for the eventual new draft, LD 1737.