

MAINE STATE LEGISLATURE

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(New Title)
New Draft of: H. P. 516, L. D. 679

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1971

H. P. 1543 House of Representatives, May 25, 1973
Reported by Mr. LaPointe from Committee on Health and Institutional
Services and printed under Joint Rules No. 18.

E. LOUISE LINCOLN, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

**AN ACT Authorizing the Department of Health and Welfare to Pay Medical
Expenses when these Expenses Constitute a Financial Catastrophe.**

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

Sec. 1. R. S., T. 22, § 3454, additional. Title 22 of the Revised Statutes is amended by adding a new section 3454 to read as follows:

§ 3454. Medical expenses in catastrophic situations

The Department of Health and Welfare is authorized to provide financial assistance to, or in behalf of, families or individuals whose costs for hospital in-patient or out-patient care, physicians' services, drugs, appliances and other related services cannot be met from their own or other sources, when said costs are of such magnitude as to constitute a financial catastrophe for the said families or individuals.

For the purpose of this section a financial catastrophe is defined as a family situation in which any one year period medical costs, as specified in this section, in behalf of one or more individuals, as billed by qualified vendors, exceed \$1,000 plus 10% of the net worths of the legally responsible parties, plus 20% of the adjusted taxable income or incomes of such parties, as defined by the Internal Revenue Service, which is in excess of 300% of the low and most current Bureau of Labor Statistics Cost of Living Standards, or where the balance after the application of 3rd-party liabilities is equal to or greater than the above amount. Net worth and income items are to be applied separately and not netted. In calculating net worth, the basis shall be current market

values and the combined net worths of parents, patients or other legally responsible individuals.

Financial assistance under this section will not be provided for a family or individual otherwise covered under general relief, public assistance or other public or private medical care programs and in any case will be provided only after all other available insurance or other 3rd-party payer liabilities have been applied.

Application for these funds may be made only by the individual who is legally responsible for the bills to be paid, or by an individual legally empowered to act on his behalf, and may not be made by an organization or corporation, or on behalf of an estate.

Payments are to be made only for such goods and services as are specified in this section and are to be made only to properly qualified vendors.

The department shall promulgate any other necessary rules and regulations necessary for administration of this section. Funds appropriated under this section are not to be used in the administration or funding of any other medical care program.

Sec. 2. Appropriation. There is appropriated from the General Fund to the Department of Health and Welfare the sum of \$1,900,000 to carry out the purposes of this Act. The breakdown shall be as follows:

	1974-75
HEALTH AND WELFARE, DEPARTMENT OF	
All Other	\$1,898,000
Capital Expenditures	2,000
	\$1,900,000

STATEMENT OF FACT

The purpose of this bill is to authorize the Department of Health and Welfare to provide assistance to families and individuals faced with catastrophic medical costs beyond their ability to pay.

Funds to implement this program are included in the Governor's Supplemental Services Budget.