

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
SENATE  
106TH LEGISLATURE  
FIRST SPECIAL SESSION

SENATE AMENDMENT" A "to H.P. 1991, L.D. 2535, Bill, "AN ACT to Increase the Cigarette Tax and Provide Funds for Catastrophic Medical Expense."

Amend said Bill by striking out all of section 1 and inserting in place thereof the following:

'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 for catastrophic illness

It is declared to be the intent of the Legislature to establish a catastrophic medical expense fund 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, exclusive of nursing home care, 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. The Department of Health and Welfare shall administer the fund.

Application for assistance through the catastrophic medical expense fund shall be made by the individual who is, or has been, receiving the care for which financial assistance is being sought, or by a person who is legally responsible for such costs, or by a legal representative of said individual. Assistance shall be available through this fund only in behalf of specific individuals, and only for those who are not eligible for aid through

*(Filing no. S-389)*

federally matched medical care programs as administered in Maine, and it shall terminate when any similar federal program becomes effective. Eligibility for, and aid through, this fund shall be on a year to year basis, and eligibility and amount of aid shall be determined only after the full application to the costs of medical care in any one year of all applicable health care insurance benefits, other than 3rd party payor benefits legally provided for, or liability benefits identified as being for medical or rehabilitative care. Furthermore, from all net income before taxes received by the applicant or those legally responsible for the costs of the applicant's care, 20% will be assumed to be applicable to the liabilities for the care for which assistance is being sought. If the applicant has, or those legally responsible for the applicant's care have, or they jointly have, a net worth in excess of \$20,000 and the excess net worth includes cash or readily cashable assets, then 10% of such cash or readily cashable assets shall be assumed to be applicable to the liabilities for care. If, after the application of all of the above resources, the residual liability, in any one year, for which assistance is being sought is less than \$1,000, no payment shall be made from this fund and only that amount in excess of \$1,000 shall be paid.

If the income factor of eligibility is not met, no payment shall be made from this fund. The income factor of eligibility will be met if, after reducing all income received by or available to the applicant by the liabilities for the kinds of goods and services provided for in this section, the residual income does not exceed 133% of an amount equal to the public welfare standards applicable to the applicant.

No reimbursements shall be made for bills already paid. Payments from this fund shall only be made directly to the vendors or providers of care.

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← this section shall not be deemed to create any rights or causes of action against the State in such a vendor or provider of care, his heirs or assigns. When eligibility has been established, the Department of Health and Welfare may make payments from this fund, during the remainder of the year of eligibility, for those goods and services provided for in this section.

An applicant shall be an adult who requires care and assistance, an adult legally responsible for such care of another or an adult who is legally responsible for the care of, and is applying in behalf of, one or more dependent minor children. Applications may be made in behalf of said applicants by their legal representatives.

The application of any available insurance, other 3rd-party liabilities or other benefits to which the applicant may be entitled or the determination of other eligibility factors shall be in accordance with federal matching requirements.

Any balances of funds appropriated for medical expenses under this section shall not lapse but shall be carried forward from year to year to be expended for the same purpose.

Further amend said Bill by striking out all of section 5 and inserting in place thereof the following:

'Sec. 5. Appropriation. There is appropriated from the General Fund the sum of \$805,900 to carry out the purposes of this Act. The breakdown shall be as follows:

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1974-75

HEALTH AND WELFARE, DEPARTMENT OF

Personal Services	(2) \$ 15,561
All Other	784,039
Capital Expenditures	<u>400</u>
	800,000

FINANCE AND ADMINISTRATION,  
DEPARTMENT OF

Bureau of Taxation

All Other	<u>5,900</u>
	\$805,900'

Statement of Fact

The purpose of the amendment is to restrict the bill solely to establishment of a fund for assistance for catastrophic medical expense and to remove provisions which would have expanded eligibility for existing federally matched medical care programs beyond those persons eligible for categorical assistance programs. The appropriation has been reduced in accordance with this intent.

(Cox) *Cox*  
NAME:

COUNTY: Penobscot

Reproduced and distributed pursuant to Senate Rule 11-A.

March 12, 1974

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