

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
SECOND REGULAR SESSION

(Filing No. H-1222)

HOUSE AMENDMENT "H" to COMMITTEE AMENDMENT "A" to S.P. 695,
L.D. 2136, Bill, "AN ACT to Establish the Health Facilities
Information Disclosure Act."

Amend the Amendment in section 1 in that part designated
"§352." by adding at the end the following:

'9. Performance standards. "Performance standards"
means the numerical measures of the costs of health care
services rendered, as calculated according to methods used by
the board to define these measures.'

Further amend the Amendment in section 1 in that part
designated "§357." in subsection 8 by striking out in the last
2 lines the underlined words "any approved voluntary budget
review organization" and inserting in their place the following:
'the effects of any approved voluntary budget review organization
on the costs of health care services rendered by hospitals
participating in the organization'

Further amend the Amendment in section 1 in that part
designated "§359." by striking out all of subsections 4, 5 and
6.

Further amend the Amendment in section 1 by striking out
all of that part designated "§364." and inserting in its place
the following:

'§364. Approval of a voluntary budget review organization

1. Submission of hospital budget. For purposes of
section 359, a hospital may agree to submit its budget together

with such other relevant information as may be required, to a voluntary budget review organization which has been approved by the board in accordance with this section.

2. Approval of voluntary budget review organization. The board shall approve a voluntary budget review organization which meets each of the following criteria.

A. The budget review procedures are likely to permit the voluntary budget review organization to determine whether overall prospectively determined/rates and charges are reasonably just, are reasonably related to financial requirements and are allocated equitably among all purchasers of health services.

B. The structure of the organization provides for the reviews to be made and the actions to be taken with respect to the reviews by a body of the organization which includes equal representation from members approved by the Maine Hospital Association, major 3rd-party payers and consumers of health care. Neither the consumers nor their spouses, children or parents shall, within the preceding 12 months, have affiliated with, employed by or have had any professional affiliation with any health care facility or institution, health product manufacturer or corporation or insurer providing coverage for hospital or medical care.

C. The procedures of the organization with respect to the filing of appropriate financial information and the analysis and verification of that information are sufficient

to permit the organization to determine whether prospectively
determined/^{overall} rates and charges are reasonably
just, are reasonably related to financial requirements
and are allocated equitably among all purchasers of health
services.

D. The procedures of the organization provide for the
public disclosure of its findings and comments prior to
the effective date of the budget.

3. Time for approval. The board shall, upon receipt of a
request for approval by a voluntary budget review organization,
make a determination within a reasonable period of time. For
any request for approval received prior to March 15, 1979, the
board shall make a determination on or before April 15, 1979.

4. Withdrawal of approval. The board may withdraw approval
from a voluntary budget review organization after a public
hearing, conducted in conformance with rules and regulations
adopted under section 366, for either or ^{both} of the following reasons:

A. The actions of the voluntary budget review organization
no longer satisfy the criteria contained in subsection 2; or

B. The performance standards established by the board have
not been met by hospitals participating in the organization.

5. Filing of findings and comments. An approved voluntary budget review organization which conducts a review of a hospital budget shall file a copy of its findings and comments with the board within 30 days of completion of the review process.

In addition, the voluntary budget review organization shall upon request make available to the board, the original and the accepted budget of the affected hospital and any other financial information acquired by the organization during the course of its review.

6. Notification of intent to become ^{an} approved organization.
Prior to approval, any <-----> voluntary budget review organization duly incorporated under the laws of Maine shall notify the board in writing of its intention to become an approved voluntary budget review organization as defined in this section. Upon receipt of this notice, the board shall direct the organization to develop procedures and other criteria for approval as defined in subsection 2 and to conduct any pilot budget reviews of hospital budgets which it deems necessary. The <-----> Board shall review and comment on the application prior to its determination of approval if the organization so requests.

7. Temporary approval criteria. The board shall grant temporary approval to any voluntary budget review organization that meets the following criteria.

A. The structure of the organization provides for the reviews to be made and the actions to be taken with respect to these reviews by a body of that organization which include equal representation from members approved by the Maine

Hospital Association, major third-party payers, and consumers of health care. Neither the consumers nor their spouses, children or parents shall, within the preceding 12 months, have been affiliated with, employed by or have had any professional affiliation with any health care facility or institution, health product manufacturer or corporation or insurer providing coverage for hospital or medical care,

B. The procedures of the organization provide, at a minimum, that the findings and recommendations with respect to its reviews be made public information,

C. The procedures of the organization shall be submitted to the board for its review and comment,

D. The organization intends to contract with an independent data organization for the purpose of fulfilling its responsibilities if such a contract would avoid duplication of effort.

No temporary approval granted by the board shall extend beyond April 15, 1979.

Further amend the amendment in section 1 in that part designated "\$370" in the last line by striking out the underlined date "1983" and inserting in its place the underlined date '1982'

Statement of Fact

The purposes of this amendment are to:

1. Define performance standards as the measure^s of hospital Health Facilities Cost Review cost changes by which the / Board evaluates the voluntary budget review organization (V.B.R.O.);
2. Delete provisions which would have permitted after 1981 the ~~Board~~ Board to approve the budget of any hospital not participating on a V.B.R.O.;
3. Clarify that the budget review and other procedures for a V.B.R.O shall be sufficient to permit it to carry out its purposes as defined in the bill;
4. Clarify that the procedures of the V.B.R.O. shall provide for the public disclosure of its findings;
5. Establish that the review body of the V.B.R.O. shall be composed of equal representation from the Maine Hospital Association, major third-party payers and consumers of health care;
6. Require that the < > Board take action by April 15, 1979 on any request for approval as a V.B.R.O. filed prior to March 15, 1979;

7. Clarify that failure by hospitals participating as a V.B.R.O. to meet the performance standards established by the board is a condition for withdrawal of approval of that organization by the ~~the~~ Board;

8. Provide that the ~~the~~ Board may, upon request by any V.B.R.O., review and comment on an application prior to its being filed;

9. Provide for the temporary approval of any V.B.R.O. for a period not to extend after April 15, 1979; and

10. Direct any V.B.R.O. to prepare an application for approval and conduct pilot projects for the purpose of preparing its application.

Filed by Mr. Brenerman of Portland.

Reproduced and distributed under the direction of the Clerk of the House.
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