

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1395

H. P. 1142

House of Representatives, March 22, 1979

On Motion of Mrs. Prescott of Hampden, referred to the Committee on Health and Institutional Services. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Morton of Farmington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Conform the Health Maintenance Organization Act of 1975 to the Maine Certificate of Need Act of 1978.

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

Sec. 1. 24-A MRSA § 4203, sub-§ 1, first sentence, as enacted by PL 1975, c. 503, is amended to read:

~~Notwithstanding any law of this State to the contrary~~ **Subject to the Maine Certificate of Need Act of 1978**, any person may apply to the superintendent for and obtain a certificate of authority to establish and operate a health maintenance organization in compliance with this chapter.

Sec. 2. 24-A MRSA § 4204, sub-§ 1, as enacted by PL 1975, c. 503, and as amended, is repealed and the following enacted in its place:

1. Procedure upon receipt of an application for issuance of a certificate of authority.

A. Concurrently with filing an application for issuance of certificate of authority with the superintendent, the applicant shall also file an application for a certificate of need pursuant to Title 22, section 301 et seq.

B. The superintendent shall take no final action with regard to the application

until he has been informed by the Department of Human Services whether or not the application for the certificate of need has been approved or denied. The Department of Human Services shall transmit to the superintendent a copy of its written decision on the application for a certificate of need.

Sec. 3. 24-A MRSA § 4204, sub-§ 2, first ¶, first sentence, as enacted by PL 1975, c. 503, and as amended, is further amended to read:

The superintendent shall issue or deny a certificate of authority to any person filing an application pursuant to section 4203 within 20 business days of receipt of the ~~certification from the Commissioner of Human Services~~ **notice from the Department of Human Services that the applicant has been granted a certificate of need.**

Sec. 4. 24-A MRSA § 4204, sub-§ 2, ¶ A, as enacted by PL 1975, c. 503, and as amended, is further amended to read:

A. The Commissioner of Human Services certifies that the health maintenance organization's ~~propo. plan of operation meets the requirements of this section~~ **organization has received a certificate of need;**

Sec. 5. 24-A § 4204, sub-§ 2, ¶ F, as enacted by PL 1975, c. 503, and as amended, is repealed as follows:

~~F. Any deficiencies certified by the Commissioner of Human Services have been corrected~~

STATEMENT OF FACT

Following enactment of the Health Maintenance Organization Act of 1975, the Legislature enacted the Maine Certificate of Need Act of 1978. This has created a conflict in legislation, with regard to whether or not a health maintenance organization requires a certificate of need before the superintendent can issue a certificate of authority, which this bill seeks to resolve. The bill also seeks to replace the special procedure for consultation with the Commissioner of Human Services with the simpler requirement that the applicant obtain a certificate of need prior to, and as a condition for, receipt of a certificate of authority from the Superintendent of Insurance.