

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
109TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. S-290)

COMMITTEE AMENDMENT "A" to S.P. 477, L.D. 1474, Bill,
"AN ACT to Place an Annual Limit on Capital Expenditures
Approved in Accordance with the Provisions of the Maine
Certificate of Need Act of 1978."

Amend the Bill by striking out everything after the
enacting clause and inserting in its place the following:

'Sec. 1. 22 MRSA §307, sub-§§3 and 4, as enacted by
PL 1977, c. 687, §1, are repealed and the following enacted
in their place:

3. Reviews. The Department of Human Services, in
consultation with the Health Systems Agency, shall establish
procedures to receive and review all applications, which shall
assure that all appropriate applications, subject to the
referenced limitation in this section, shall have equal opportunity
for consideration with respect to approval to be granted up to
the maximum limit imposed by the referenced limitation. The
procedures shall provide for 2 review cycles each year. The
first cycle shall commence on October 1st and end on March 31st.
Applications accepted as complete by the department prior to
October 1st will be considered during that cycle. The 2nd cycle
shall commence on April 1st and end on September 30th. All
applications not approved by the department during the first
cycle and all new applications which have been accepted
as complete by the department prior to April 1st shall be
considered during the 2nd cycle.

4. Review by Health Systems Agency. The Health Systems

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Agency shall be entitled to review all applications for a certificate of need. The Health Systems Agency shall forward its findings and recommendations with respect to all applications under consideration during the first review cycle to the department no later than February 28th. The Health Systems Agency shall forward its findings and recommendations with respect to all applications under consideration during the 2nd review cycle to the department no later than August 31st.

Sec. 2. 22 MRSA §307, sub-§6, as enacted by PL 1977, c. 687, §1, is repealed.

Sec. 3. 22 MRSA §323 is enacted to read:

§323. Annual limit on approved capital expenditures

During the 12-month period commencing October 1, 1979, the capital expenditures approved by the department in accordance with this chapter shall not exceed a total of \$20,000,000. The capital expenditures approved by the department during each succeeding 12-month period shall not exceed an amount which has been established by the department prior to the commencement of that period and reflects only changes in construction costs since the establishment of the last annual limit. During the first cycle of any year the Department of Human Services may not approve more than 60% of the total capital expenditure which^{it} is permitted to approve during that year. For the purposes of this section, the department may, at its discretion divide an approved capital expenditure of \$5,000,000 or more into

5 equal parts and apportion a part to the year in which the expenditure is approved and each of the 4 succeeding years. In addition, the department may, at its discretion, exclude capital expenditures associated with projects for which it has granted an emergency certificate of need in determining the total capital expenditures it has approved during a given 12-month period.'

Statement of Fact

This amendment alters the bill by providing for 2 6-month cycles for review, thus allowing projects to be developed partway through a year and not have to wait almost a year for review, and extending the limit from \$15,000,000 to \$20,000,000, which is considered to be a more realistic figure.

Reported by the Majority of the Committee on Health and Institutional Services.

Reproduced and distributed pursuant to Senate Rule 11-A.

June 1, 1979

(Filing No. S-290)

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