

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 1945
6

7 H.P. 1482

House of Representatives, January 12, 1984

8 Referred to the Committee on Health and Institutional Services. Ordered
9 printed and sent up for concurrence.

10 Approved for introduction by the Legislative Council pursuant to Joint
Rule 26.

EDWIN H. PERT, Clerk

Presented by Representative Rolde of York.

11 Cosponsors: Representative McCollister of Canton, Senator Danton of
York and Representative Matthews of Waterville.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FOUR
16

17 AN ACT to Revise the Maine Certificate of
18 Need Act for Hospitals.
19

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

22 Sec. 1. 22 MRSA §303, sub-§6-A, as enacted by PL
23 1981, c. 705, Pt. V, §4, is repealed and the follow-
24 ing enacted in its place:

25 6-A. Expenditure minimum for annual operating
26 costs. The expenditure minimum for annual operating
27 costs is \$300,000 for the first full fiscal year of
28 operation.

29 Sec. 2. 22 MRSA §303, sub-§7, as amended by PL
30 1981, c. 705, Pt. V, §5, is further amended to read:

31 7. Health care facility. "Health care facility"
32 means ~~any facility, whether public or private, pro-~~
33 ~~prietary or not for profit, required to obtain a cer-~~

1 tificate of need in accordance with federal laws and
2 regulations under the National Health Planning and
3 Resources Development Act of 1974, or any amendment,
4 and shall include hospitals, psychiatric hospitals,
5 tuberculosis hospitals, skilled nursing facilities,
6 kidney disease treatment centers including free
7 standing hemodialysis units, intermediate care facil-
8 ities, rehabilitation facilities, ambulatory surgical
9 facilities, home health care providers and health
10 maintenance organizations. The term shall not apply
11 to any facility operated by religious groups relying
12 solely on spiritual means through prayer for healing.

13 Sec. 3. 22 MRSA §304-A, sub-§4, as enacted by PL
14 1981, c. 705, Pt. V, §16, is amended to read:

15 4. New health services. The offering or devel-
16 opment of any new health service. For purposes of
17 this section, "new health services" shall include on-
18 ly the following:

19 A. The obligation of any capital expenditures of or
20 \$350,000 or more by or on behalf of a health care
21 facility which is associated with the addition of
22 a health service which was not offered on a regu-
23 lar basis by or on behalf of the facility within
24 the 12-month period prior to the time the ser-
25 vices would be offered; or

26 B. The addition of a health service which is to
27 be offered by or on behalf of a health care fa-
28 cility which was not offered on a regular basis
29 by or on behalf of the facility within the
30 12-month period prior to the time the services
31 would be offered, and which, for the 3rd first
32 full fiscal year of operation, ~~including a par-~~
33 ~~tial first year~~; following addition of that ser-
34 vice, absent any adjustment for inflation, is
35 projected to entail annual operating costs of at
36 least the expenditure minimum for annual operat-
37 ing costs; ~~or~~

38 C. The addition of a health service which falls
39 within a category of health services which are
40 subject to review regardless of capital expendi-
41 ture or operating cost and which category the de-
42 partment has defined through regulations promul-

1 gated pursuant to section 312, based on recommen-
2 dations from the State Health Coordinating Coun-
3 cil,

4 STATEMENT OF FACT

5 Section 1 of this bill repeals the Certificate of
6 Need Act as it affects hospitals. With enactment of
7 the so-called cost-containment legislation in the
8 First Regular Session of the 111th Legislature, cre-
9 ating the Maine Health Care Finance Commission, it is
10 appropriate that this new law and new commission
11 serve as the focus of review for all hospital activi-
12 ties.

13 Sections 2 and 3 amend the provisions governing
14 review of "new health services" to deal solely with
15 new services which either: Involve capital expendi-
16 tures in excess of \$350,000 - the general threshold
17 for review of capital expenditures under the Certifi-
18 cate of Need Act; or involve annual operating costs
19 in the first full fiscal year in excess of \$300,000.
20 Certain hospitals wishing to establish new services
21 have in the past been required to undergo reviews
22 which entailed costs in excess of the financial im-
23 pact of the service proposed.

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