

# MAINE STATE LEGISLATURE

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L.D. 1480

(Filing No. H-267 )

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
112TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1028, L.D. 1480, Bill, "AN ACT to Adjust the Statutory Ceiling for the Certificate of Need Development Account."

Amend the bill by inserting before the enacting clause the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the approval of an unusually costly project may unduly deplete the resources available under the Certificate of Need Development Account for the approval of other smaller projects; and

Whereas, the 90-day period may not terminate until after the decision on the projects now being reviewed within the context of the Certificate of Need Development Account; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, '

Further amend the bill by striking out everything after the enacting clause and inserting in its place the following:

'Sec. 1. 22 MRS §396-K, sub-§1, as enacted by PL 1983, c. 579, §10, is amended to read:

1. Amount established. Subject to the requirements of paragraphs A and B, for each payment year

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1 cycle, as defined in subsection 4, the commission  
2 shall ~~consider the need for, and may~~ credit the Cer-  
3 tificate of Need Development Account with an amount  
4 to support the development and undertaking of  
5 projects which are subject to review pursuant to the  
6 Maine Certificate of Need Act. This amount shall be  
7 established annually by rule after consideration of  
8 the State Health Plan, the ability of the citizens of  
9 the State to underwrite the additional costs and the  
10 limitations imposed on these payments by the Federal  
11 Government pursuant to the United States Social Secu-  
12 rity Act, Titles XVIII and XIX. For the first 2 pay-  
13 ment year cycles, the commission shall establish the  
14 amounts to be credited to the first day of that pay-  
15 ment year cycle as follows:

16 A. For the first payment year cycle, 1% of the  
17 sum of:

18 (1) The total budgeted expenses, including  
19 capital costs, of all hospitals, for their  
20 most recent fiscal year ending prior to July  
21 1, 1984, which were submitted to and ap-  
22 proved by a voluntary budget review organi-  
23 zation prior to July 1, 1983; and

24 (2) The total actual expenses, including  
25 capital costs, which were incurred, in its  
26 most recent fiscal year ending prior to July  
27 1, 1983, by any hospital which did not se-  
28 cure approval, prior to July 1, 1983, of its  
29 budget for its most recent fiscal year end-  
30 ing prior to July 1, 1984; and

31 B. For the 2nd payment year cycle, 1% of the  
32 first payment year financial requirements deter-  
33 mined for all hospitals in the State.

34 Sec. 2. 22 MRSA §396-K, sub-§2, ¶B, as enacted  
35 by PL 1983, c. 579, §10, is repealed and the follow-  
36 ing enacted in its place:

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1           B. The associated incremental annual capital and  
2           operating costs do not exceed the amount remain-  
3           ing in the Certificate of Need Development Ac-  
4           count as of the date of approval of the project  
5           by the department, after accounting for previous-  
6           ly approved projects.

7           Sec. 3. 22 MRSA §396-K, sub-§3, as enacted by PL  
8           1983, c. 579, §10, is repealed and the following en-  
9           acted in its place:

10           3. Debits and carry overs. Debits and carry  
11           overs shall be determined as follows.

12           A. Except as provided in paragraphs B and C, the  
13           commission shall debit against the Certificate of  
14           Need Development Account the full amount of the  
15           incremental annual capital and operating costs  
16           associated with each proposal for which an ad-  
17           justment is approved under subsection 2. Incre-  
18           mental annual capital and operating costs shall  
19           be determined in the same manner as adjustments  
20           to financial requirements are determined under  
21           section 396-D, subsection 5, for the 3rd fiscal  
22           year of implementation of the project.

23           B. In the case of a project which is approved in  
24           the first or 2nd payment year cycle and whose as-  
25           sociated incremental annual capital and operating  
26           costs are determined to exceed \$2,000,000, debits  
27           shall be made as follows:

28                   (1) In the payment year cycle in which the  
29                   project is approved, the commission shall  
30                   debit against the Certificate of Need Devel-  
31                   opment Account an amount equal to  
32                   \$2,000,000; and

33                   (2) In the payment year cycle immediately  
34                   following the cycle in which the project is  
35                   approved, the commission shall debit against  
36                   the Certificate of Need Development Account



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1 lished in 1983, but redefines the manner in which  
2 debits against the account are to be determined.  
3 They are to be calculated in the same fashion that  
4 adjustments to hospital financial requirements for  
5 certificate of need projects are calculated by the  
6 commission.

7 This amendment also allows projects involving ex-  
8 traordinary costs to be debited against the Certifi-  
9 cate of Need Development Account over a period of  
10 more than one payment year, thus, potentially permit-  
11 ting a greater number of projects to be approved in a  
12 year when a particularly costly project is approved.

Reported by the Committee on Human Resources  
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