

# MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 1837  
6

7 S.P. 712

In Senate, January 13, 1986

8 Approved for introduction by a majority of the Legislative Council  
9 pursuant to Joint Rule 26.

10 Reference to the Committee on Human Resources suggested and ordered  
printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by President Pray of Penobscot.

11 Cosponsored by Senator Perkins of Hancock, Senator Tuttle of York and  
Representative Murphy of Kennebunk.

12 STATE OF MAINE  
13

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

17 AN ACT to Increase the Cap on the Certificate  
18 of Need Development Account for Fiscal Year  
19 1986-87.  
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21 Be it enacted by the People of the State of Maine as  
22 follows:

23 22 MRSA §396-K, sub-§1, as amended by PL 1985, c.  
24 347, §1, is further amended to read:

25 1. Amount established. Subject to the require-  
26 ments of paragraphs A and, B, and C for each payment  
27 year cycle, as defined in subsection 4, the commis-  
28 sion shall credit the Certificate of Need Development  
29 Account with, an amount to support the development  
30 and undertaking of projects which are subject to re-  
31 view pursuant to the Maine Certificate of Need Act.  
32 This amount shall be established annually by rule af-  
33 ter consideration of the State Health Plan, the abil-  
34 ity of the citizens of the State to underwrite the  
35 additional costs and the limitations imposed on these  
36 payments by the Federal Government pursuant to the

1 United States Social Security Act, Titles XVIII and  
2 XIX. ~~For the first 2 payment year cycles,~~ The  
3 commission shall establish the amounts to be credited  
4 to the first day of ~~that~~ each payment year cycle as  
5 follows:

6 A. For the first payment year cycle, 1% of the  
7 sum of:

8 (1) The total budgeted expenses, including  
9 capital costs, of all hospitals, for their  
10 most recent fiscal year ending prior to July  
11 1, 1984, which were submitted to and ap-  
12 proved by a voluntary budget review organi-  
13 zation prior to July 1, 1983; and

14 (2) The total actual expenses, including  
15 capital costs, which were incurred, in its  
16 most recent fiscal year ending prior to July  
17 1, 1983, by any hospital which did not se-  
18 cure approval, prior to July 1, 1983, of its  
19 budget for its most recent fiscal year end-  
20 ing prior to July 1, 1984; and

21 B. For the 2nd payment year cycle, ~~1%~~ 2% of the  
22 first payment year financial requirements deter-  
23 mined for all hospitals in the State; and

24 C. For all payment year cycles subsequent to the  
25 2nd payment year cycle, an amount not less than  
26 2% of the prior year's financial requirements de-  
27 termined for all hospitals in the State.

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STATEMENT OF FACT

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Pursuant to legislation passed in 1983, Certificate of Need Development Account was created which sets an expenditure limit on hospital projects for new or improved services, equipment and facilities which may be approved by the Department of Human Services.

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The limit was established by the Legislature for 1985 and 1986 at 1% of the prior year's total expenses for Maine hospitals. This 1% limit had no factual or historical basis; its relevance to the assurance of continued or improved access of Maine people to quality hospital services was unknown. It has now become apparent that this limit is too low for 1986, the 2nd year payment cycle, and subsequent years.

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