

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 533

H.P. 399 House of Representatives, February 24, 1987
Reference to the Committee on Human Resources suggested
and ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative HARPER of Lincoln.
Cosponsored by Senator PEARSON of Penobscot, President
PRAY of Penobscot and Representative HICHBORN of LaGrange.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Amend the Powers of Certain
Hospital Administrative Districts.

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

Sec. 1. P&SL 1967, c. 58, §1, as amended by P&SL
1983, c. 92, §2, is repealed and the following en-
acted in its place:

Sec. 1. Incorporation; purposes. The inhabi-
tants of the territory within the Towns of
Mattawamkeag, Howland, Enfield, Burlington, Lowell,
Lincoln, Springfield, Lee, Passadumkeag, Chester,
Winn and Maxfield, and Sebois Plantation, Prentiss
Plantation and Webster Plantation are constituted and
confirmed a body politic and corporate to be known as
"Hospital Administrative District No. 1" in order to

1 provide for the health, welfare and public benefit of
2 the inhabitants of the district. The hospital dis-
3 trict shall acquire or construct, extend and improve
4 a regional general hospital system, including, but
5 not limited to, acute care facilities, extended care
6 facilities, intermediate care facilities, intermedi-
7 ate care facilities, free standing satellite facili-
8 ties and facilities designed for utilization as of-
9 fices by physicians, to be located at a place or
10 places within the district for the care of the inhab-
11 itants of the district and those persons outside the
12 district who may require medical care, for the pur-
13 poses of maintaining and operating a hospital system,
14 including, but not limited to, acute care facilities,
15 extended care facilities, free standing satellite fa-
16 cilities and facilities designed for utilization as
17 offices by physicians, and of generally providing for
18 the health and medical needs of the inhabitants of
19 the district. Without limiting the generality of
20 this section, and subject to applicable provisions,
21 if any, of the Maine Health Care Finance Commission's
22 laws and rules, the district may also establish af-
23 filiated organizations, either alone or with others
24 and within or outside the district, including medical
25 centers, health care centers, nursing centers, labo-
26 ratories, clinics and other medical, surgical or den-
27 tal facilities, facilities to provide health-related
28 shared services and such other organizations or enti-
29 ties, on a for-profit or nonprofit basis, as the dis-
30 trict may consider necessary or desirable from time
31 to time, in order to provide, alone or with others,
32 for the health and medical needs of the inhabitants
33 of the district.

34 In effectuating any of the purposes of this sec-
35 tion or any of the other purposes permitted to be en-
36 gaged in by the district, the district may, subject
37 to this Act, as amended and supplemented from time to
38 time, acquire real or personal property, or any in-
39 terest in the property, on either a temporary or
40 long-term basis by gift, purchase, transfer, foreclo-
41 sure, lease or otherwise, including rights or ease-
42 ments; hold, manage, operate, sell, assign, lease,
43 encumber, mortgage or otherwise dispose of any real
44 or personal property, or any interest in the proper-
45 ty, or mortgage interest owned by it under its con-
46 trol, custody or in its possession and release or re-

1 linguish any right, title, claim, lien, interest,
2 easement or demand however acquired; apply for and
3 accept from any source grants, loans, advances and
4 contributions of money, property, labor or other
5 things of value, to be held, used and applied for
6 permitted purposes; lease or rent any lands, build-
7 ings, structures, facilities or equipment from pri-
8 rate parties to effectuate the purposes permitted to
9 be engaged in by the district, including construction
10 agreements, purchase or acquisition agreements, part-
11 nership agreements, including limited partnership
12 agreements, joint ventures, participation agreements
13 or agreements with leasing corporations or other fi-
14 nanacial intermediaries.

15 Sec. 2. P&SL 1967, c. 58, §2, 2nd sentence, as
16 amended by P&SL 1975, c. 106, §2, is repealed and the
17 following enacted in its place:

18 They shall be responsible for providing, in whole or
19 in part, physical facilities for a hospital system
20 and, where necessary or desirable, physical facili-
21 ties for affiliated organizations within or outside
22 the district, equipped and staffed to meet needed
23 health-care services for the inhabitants of the dis-
24 trict.

25 Sec. 3. P&SL 1967, c. 58, §5-A, is enacted to
26 read:

27 5-A. Authority to issue notes limited to portion
28 of operating expenses. In addition to the other pow-
29 ers provided by this Act, the district may, by vote
30 of a majority of its directors and without action by
31 the voters of the district, issue notes of the dis-
32 trict to pay expenses of operation, including, but
33 not limited to, capital and other expenditures for
34 projects and services not previously carried out by
35 the district. Notes issued pursuant to this section
36 shall not exceed at any one time outstanding more
37 than 10% of the district's operating expenses as set
38 forth in its last audited financial statement and
39 shall otherwise be commercially reasonable with re-
40 spect to the length and terms of financing. The au-
41 thority set forth in this section is in addition to
42 that provided in sections 3, 5 and 6 of this Act.
43 Notes issued pursuant to this section shall not be

1 included in the limitations or indebtedness set forth
2 in such other sections, and shall not be subject to
3 the procedural requirements of those sections.

4 Sec. 4. P&SL 1967, c. 58, §8, sub-§4, as enacted
5 by P&SL 1967, c. 211, §2, is repealed and the follow-
6 ing enacted in its place:

7 4. Surplus. If any surplus remains at the end
8 of the year, it may be transferred to an account for
9 the purposes of paying the principal or interest on
10 any outstanding obligation or it may be set aside in
11 a surplus account for use by the district for any ac-
12 tivity in which the district may engage.

13 STATEMENT OF FACT

14 Hospital Administrative District No. 1 was cre-
15 ated in 1967 pursuant to private and special legisla-
16 tion. Similar to a school administrative district,
17 the district is made up of Lincoln and several sur-
18 rounding towns and owns and operates the Penobscot
19 Valley Hospital. The powers of the hospital are es-
20 tablished by the private and special laws which sets
21 forth several limitations on the authority of the
22 district and its funding mechanisms. This bill is
23 intended to amend and supplement certain of the pow-
24 ers of the district as follows.

25 Section 1 recodifies the existing powers of the
26 district. In addition, this section also clarifies
27 the district's powers to hold and dispose of certain
28 types of property. This section also permits the
29 district to establish other affiliated organizations
30 subject to pertinent provisions of the Maine Health
31 Care Finance Commission's laws and rules.

32 Section 2 makes a corresponding change to the
33 powers of the board of directors, authorizing affili-
34 ated organizations.

35 Section 3 provides the district with increased
36 flexibility in obtaining financing. Under existing
37 law, the district may issue bonds for stipulated pur-
38 poses. This bonding process is subject to prior pub-

1 lic notice and a referendum process in certain cir-
2 cumstances. This process has been a cumbersome one
3 as applied to certain small financings, for example,
4 the financing of a new ambulance. This section per-
5 mits borrowing of up to 10% of the district's annual
6 operating expenses without the need to utilize the
7 public notice for referendum process.

8 Section 4 clarifies that the district may utilize
9 its surplus, if any, for activities in which the dis-
10 trict may otherwise participate.

11

1237021887