

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 545

H.P. 411 House of Representatives, February 25, 1987  
Reference to the Committee on Human Resources suggested  
and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative ROLDE of York.

STATE OF MAINE

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

AN ACT to Provide Reasonable Financial  
Requirements for Hospitals.

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

Sec. 1. 22 MRSA §396-B, sub-§3, as enacted by PL  
1983, c. 579, §10, is amended to read:

3. New hospitals. The commission shall estab-  
lish, by regulation, a methodology for computing base  
year financial requirements for hospitals subject to  
this chapter which commence operations on or after  
January 1, 1983. This methodology may include reason-  
able limits based on the costs approved pursuant to  
the Maine Certificate of Need Act. This methodology  
shall be consistent with the approval process of a  
voluntary budget review organization referred to in

1 subsection 1, except that reasonable projected ex-  
2 penditures shall be used. The methodology for hospitals  
3 which applied for approval pursuant to the Maine Cer-  
4 tificate of Need Act of 1978 after September 23,  
5 1983, may include reasonable provisions to reflect  
6 costs approved pursuant to the Maine Certificate of  
7 Need Act of 1978.

8 Sec. 2. 22 MRSA §396-B, sub-§4 is enacted to  
9 read:

10 4. Test. The commission shall verify that the  
11 base year financial requirements for hospitals set  
12 under subsections 2 and 3 satisfy the criteria of  
13 section 396, subsection 2.

14 Sec. 3. 22 MRSA §397, sub-§3-A is enacted to  
15 read:

16 3-A. Evidence. In all contests under section  
17 398, subsection 1, every party, including the execu-  
18 tive director, shall place in the record all evidence  
19 on which he relies to support his position on all  
20 contested issues.

21 STATEMENT OF FACT

22 This bill corrects inequities created in the  
23 Health Care Finance Act, creating a different stan-  
24 dard of revenue calculation for hospitals coming into  
25 operation in a certain time period; because of this,  
26 one hospital is having difficulty establishing a fair  
27 budget with the commission. This bill does 3 things  
28 to remedy this problem.

29 1. It allows a budget methodology consistent  
30 with the other 42 hospitals so everyone operates on  
31 the same basis.

32 2. It requires the commission to compare revenue  
33 limits to be established with the standard in the law  
34 dealing with the recovery of reasonable costs and  
35 fair return on investment.

1           3. The bill requires that every party in a com-  
2 mission proceeding introduce all of his evidence be-  
3 fore decisions are made. Again this change is to es-  
4 tablish more fairness in the process.

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