

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 914

S.P. 312

In Senate, March 25, 1987

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.

Cosponsored by Representative FOSTER of Ellsworth,
Representative ROLDE of York, Senator GILL of Cumberland.

STATE OF MAINE

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

1 AN ACT to Permit the Maine Health Care
2 Finance Commission to Consider the
3 Special Needs and Circumstances of
4 Hospitals which Serve Special
5 Population Groups and to Permit
6 Establishment of Community Pools for
7 Free Care.
8

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

11 Sec. 1. 22 MRSA §396-D, sub-§2, ¶B, as enacted
12 by PL 1983, c. 579, §10, is amended to read:

13 B. The commission may from time to time during
14 the course of a payment year, in accordance with
15 duly promulgated regulations, make further ad-
16 justments, on an interim or final basis, in the

1 event of discrepancies, if any, between projected
2 and actual case mix changes in the preceding pay-
3 ment years or in the event it obtains substantial
4 evidence that its initial projections for the
5 current payment year will be in error. In making
6 such further adjustments, the commission shall
7 consider the special needs and circumstances of
8 small hospitals and hospitals which serve special
9 population groups, including, but not limited to,
10 patients requiring treatment for alcohol abuse,
11 drug abuse and other chemical dependencies, men-
12 tal illness or other medical conditions which are
13 currently underserved.

14 Sec. 2. 22 MRSA §396-D, sub-§4, ¶D, as enacted
15 by PL 1983, c. 579, §1, is amended to read:

16 D. The commission may, from time to time during
17 the course of a payment year, in accordance with
18 duly promulgated regulations, make such further
19 adjustments as may be necessary in the event of
20 discrepancies, if any, between projected and ac-
21 tual volume changes in preceding payment years or
22 in the event it obtains substantial evidence that
23 its initial projections for the current payment
24 year will be in error. In making such further
25 adjustments, the commission shall consider the
26 special needs and circumstances of small hospi-
27 tals and hospitals which serve special population
28 groups, including, but not limited to, patients
29 requiring treatment for mental illness, alcohol
30 abuse, drug abuse and other chemical dependencies
31 or other medical conditions which are currently
32 underserved.

33 Sec. 3. 22 MRSA §396-D, sub-§6, as enacted by PL
34 1983, c. 579, §10, is amended to read:

35 6. Productivity. In determining payment year fi-
36 nancial requirements for each hospital's fiscal years
37 commencing on or after October 1, 1987, the commis-
38 sion shall consider, and may include, an offsetting
39 adjustment in the event a hospital is not operating
40 efficiently, provided that appropriate consideration
41 shall be given to quality and accessibility of care
42 and to the special needs and circumstances of small
43 hospitals and ef, hospitals with significant seasonal

1 fluctuations in occupancy and hospitals which serve
2 special population groups, including, but not limited
3 to, patients requiring treatment for mental illness,
4 alcohol abuse, drug abuse and other chemical dependen-
5 cies or other medical conditions which are cur-
6 rently underserved.

7 Sec. 4. 22 MRSA §396-D, sub-§10, ¶C is enacted
8 to read:

9 C. In its consideration of the factors enumer-
10 ated in this section, the commission shall take
11 into account the special needs and circumstances
12 of hospitals which serve special population
13 groups, including, but not limited to, patients
14 requiring treatment for mental illness, alcohol
15 abuse, drug abuse and other chemical dependencies
16 or other medical conditions which are currently
17 underserved.

18 Sec. 5. 22 MRSA §396-F, sub-§§4 and 5 are en-
19 acted to read:

20 4. Discretionary positive adjustments for hospi-
21 tals which service special population groups. Hospi-
22 tals which serve special population groups, includ-
23 ing, but not limited to, patients requiring treatment
24 for mental illness, alcohol abuse, drug abuse and
25 other chemical dependencies or for other medical con-
26 ditions which are currently underserved may apply to
27 the commission for a positive adjustment to the reve-
28 nuce deductions otherwise determined under subsections
29 1 to 3 in cases when the revenue deduction is not ad-
30 equiate to meet the needs of these special population
31 groups. The commission shall make an adjustment for
32 all or part of the amount requested to the extent
33 that the commission finds that the adjustment is in
34 the public interest. In determining whether the ad-
35 justment is in the public interest, and if so, in
36 what amount the adjustment shall be made, the commis-
37 sion shall consider the following factors, as well as
38 any other factors pertinent to the findings and pur-
39 poses in section 381:

40 A. The unmet needs of the special population
41 groups within the hospital's service area;

1 B. The hardship to the hospital and to the spe-
2 cial population group in the absence of treatment
3 under this subsection;

4 C. The impact on quality and accessibility of
5 health care for the special population group; and

6 D. The degree to which the hospital has entered
7 into cooperative arrangements with other health
8 care providers and groups which serve the needs
9 of the special population groups.

10 5. Community pools for charity care. A hospi-
11 tal, in its discretion, may work cooperatively with
12 various community provider groups with respect to the
13 allocation to eligible individuals for all or any
14 portion of the hospital's revenue deduction attribut-
15 able to charity care of bad debts, as otherwise es-
16 tablished pursuant to subsections 1 to 4. In cases
17 when the hospital proposes to establish a community
18 pool for charity care to be administered jointly with
19 one or more community health providers and groups
20 which serve special population groups, the commission
21 shall give particular weight to this factor in making
22 determinations pursuant to subsection 4.

23 STATEMENT OF FACT

24 This bill includes several changes to the Maine
25 Health Care Finance Commission which are intended to
26 provide greater leeway to address the currently unmet
27 needs of certain special population groups, includ-
28 ing, but not limited to, individuals requiring treat-
29 ment for alcohol abuse, drug abuse and other chemical
30 dependencies, mental illness or other medical condi-
31 tions which are currently underserved.

32 Section 1 requires the commission to give special
33 consideration to the needs of these groups in its de-
34 termination of case mix adjustments under current
35 law.

36 Section 2 requires the commission to give special
37 consideration to the needs of these groups in its
38 calculations of volume adjustments.

1 Section 3 requires the commission to give special
2 consideration to the needs of these groups in calcu-
3 lating productivity adjustments.

4 Section 4 requires that these special needs be
5 included in the general considerations of the exist-
6 ing law.

7 Section 5 provides the commission with the dis-
8 cretionary authority to make a positive adjustment to
9 the revenue deduction otherwise determined under the
10 provisions of the current law and its regulations
11 with respect to charity care and bad debt. Under the
12 commission's existing regulations, these calculations
13 are based upon a detailed formula approach which con-
14 siders several factors, including certificate of need
15 projections of charity care and bad debt, the average
16 experience of all Maine hospitals and the prior expe-
17 rience of the particular hospital. The statistical
18 averaging approach does not adequately recognize spe-
19 cial needs of these population groups and their lack
20 of resources. This bill gives the commission the
21 discretion to make a positive adjustment after con-
22 sidering various factors set forth, including the
23 public interest, the currently unmet need and the de-
24 gree to which the hospital has entered into coopera-
25 tive arrangements with other providers and interest
26 groups addressing these needs.

27 Section 5 also permits hospitals to establish
28 community pools for allocation of charity care to el-
29 igible individuals. Hospitals which establish these
30 pools shall be given special consideration by the
31 commission with respect to applications for positive
32 adjustments under the Maine Revised Statutes, Title
33 22, section 396-F, subsection 5.

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