

# 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. 1033

H.P. 770 House of Representatives, March 31, 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

1 AN ACT to Require the Maine Health Care  
2 Finance Commission to Pay the Full Cost of  
3 Bad Debts.  
4

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

7 22 MRSA §396-F, sub-§2, as enacted by PL 1983, c.  
8 579, §10, is amended to read as follows:

9 2. Bad debts. The commission shall make provi-  
10 sion for ~~a reasonable~~ the total amount of revenue de-  
11 duction attributable to bad debts. For purposes of  
12 this section, bad debts shall be defined as the  
13 amount of revenue deduction, net of recoveries, which  
14 is expected to be attributable to patients who, af-  
15 ter reasonable collection efforts, are determined to  
16 have uncollectible accounts, provided that the

1 hospital's determination is made pursuant to a policy  
2 which was adopted by the hospital and filed with the  
3 commission and which is consistent with reasonable  
4 guidelines--established--by--the-commission generally  
5 accepted accounting principles.

6 STATEMENT OF FACT

7 Hospitals have historically included an allowance  
8 for bad debts in a reserve account in accordance with  
9 generally accepted accounting principles. The Health  
10 Care Finance Commission uses a different process to  
11 arrive at a net allowance for bad debts. This bill  
12 will cause the commission to use the total allowance  
13 for bad debts as included in the hospitals' financial  
14 reports.

15 0352031787