

MAINE STATE LEGISLATURE

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(Emergency)
SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 2191

S.P. 845 In Senate, February 3, 1988
Approved for Introduction by a Majority of the Legislative
Council pursuant to Joint Rule 26.

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

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator GILL of Cumberland.

Cosponsored by President PRAY of Penobscot, Representative
PARADIS of Old Town, Representative ROLDE of York.

STATE OF MAINE

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

AN ACT to Make Interim Adjustments
in the Certificate of Need
Development Account.

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5 **Emergency preamble.** Whereas, Acts of the
6 Legislature do not become effective until 90 days
7 after adjournment unless enacted as emergencies; and

8 Whereas, there exists a need for certain health

1 care services to be offered; and

2 Whereas, there is a limit imposed by the Maine
3 Health Care Finance Commission on the ability of
4 hospitals to offer needed services; and

5 Whereas, those services cannot be offered or will
6 be significantly delayed because of the existing law;
7 and

8 Whereas, certain of these services have been
9 deemed approvable by the Department of Human Services;
10 and

11 Whereas, in the judgment of the Legislature, these
12 facts create an emergency within the meaning of the
13 Constitution of Maine and require the following
14 legislation as immediately necessary for the
15 preservation of the public peace, health and safety;
16 now, therefore,

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

19 Sec. 1. 22 MRSA §396-K, sub-§2, ¶C, as enacted
20 by PL 1985, c. 661, §10, is amended to read:

21 C. Debits and carry-overs shall be determined as
22 follows.

23 (1) Except as provided in subparagraph (2),
24 the commission shall debit against the
25 Certificate of Need Development Account the
26 full amount of the incremental annual capital
27 and operating costs associated with each
28 project for which an adjustment is approved
29 under paragraph B. Incremental annual
30 capital and operating costs shall be
31 determined in the same manner as adjustments
32 to financial requirements are determined
33 under section 396-D, subsection 5, for the
34 3rd fiscal year of implementation of the
35 project.

36 (2) In the case of a project which is

1 approved in the first or 2nd payment year
2 cycle and whose associated incremental annual
3 capital and operating costs are determined to
4 exceed \$2,000,000, debits shall be made as
5 follows:

6 (a) In the payment year cycle in which
7 the project is approved, the commission
8 shall debit against the Certificate of
9 Need Development Account an amount equal
10 to \$2,000,000; and

11 (b) In the payment year cycle
12 immediately following the cycle in which
13 the project is approved, the commission
14 shall debit against the Certificate of
15 Need Development Account established
16 under this subsection or the statewide
17 component of the Hospital Development
18 Account established under subsection 3
19 an amount equal to the difference
20 between the incremental annual capital
21 and operating costs associated with the
22 project and the amount debited under
23 division (a) in the previous payment
24 year cycle.

25 (3) Amounts credited to the Certificate of
26 Need Development Account for the first
27 payment year cycle for which there are no
28 debits shall be carried forward to the 2nd
29 payment year cycle. Amounts credited to the
30 Certificate of Need Development Account for
31 the 2nd payment year cycle for which there
32 are no debits shall be carried forward to the
33 3rd payment cycle as a credit to the
34 statewide component of the Hospital
35 Development Account established in accordance
36 with subsection 3.

37 (4) For the 3rd payment year, an adjustment
38 of \$2,800,000 shall be made to the
39 Certificate of Need Development Account for
40 the purpose of finally approving those major
41 projects deferred but approvable as of

1 2. It temporarily augments the account for 1988
2 to allow approval and start-up of enough projects to
3 meet important community needs.

4 The bill prohibits hospitals from receiving any
5 credits not related to needed and approved projects
6 and makes no permanent changes in the Certificate of
7 Need Development Account, leaving that to the blue
8 ribbon commission studying health care regulation in
9 the State.

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