

MAINE STATE LEGISLATURE

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L.D. 2242

(Filing No. H- 754)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
113TH LEGISLATURE
SECOND REGULAR SESSION

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HOUSE AMENDMENT "^A" to COMMITTEE AMENDMENT "A" to
H.P. 1643, L.D. 2242, Bill, "AN ACT to Make Health
Care More Accessible to Low-Income Elderly and
Disabled Individuals, Children and Pregnant Women."

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Amend the amendment by inserting after the
enacting clause the following:

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'Sec. 1. 22 MRSA §396-D, sub-§9, ¶H is enacted
to read:

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H. In determining payment year financial
requirements, the commission shall include an
adjustment for the hospital's assessment under
Title 36, section 2800.

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

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4. Adjustment, revenue deduction. Subsequent to
the close of each payment year, in conjunction with
the determinations made under section 396-I,
subsection 3, the commission shall adjust the revenue
deductions for charity care and bad debts for that
payment year to the extent necessary to reflect the
reduction in charity care and bad debt amounts
resulting from the receipt by the hospital of payments
for care of patients pursuant to section 3174-E.

HOUSE: AMENDMENT " ^A" to COMMITTEE AMENDMENT "A" to
H.P. 1643, L.D. 2242

1 Sec. 3. 22 MRSA §396-Q is enacted to read:

2 §396-Q. Quarterly report

3 By September 15, 1988, and quarterly thereafter,
4 the commission shall report to the Bureau of Taxation
5 the amount of financial requirements for the most
6 recently completed quarter of each hospital's payment
7 year, determined by dividing the financial
8 requirements for the applicable payment year by 4.'

9 Further amend the amendment in section 1, in that
10 part designated "§3174-E." in subsection 1, in the 5th
11 line (page 2, line 16 in amendment) by striking out
12 the following: "2 years" and inserting in its place
13 the following: '5 years'

14 Further amend the amendment by inserting after
15 section 1 the following:

16 'Sec. 2. 36 MRSA c. 369 is enacted to read:

17 CHAPTER 369

18 HOSPITALS

19 §2801. Hospital excise tax

20 Hospitals shall be subject to an excise tax for
21 the fiscal year. The rate of tax shall be .002 of the
22 hospital's financial requirements as determined in
23 chapter 107, subchapter III. The State Tax Assessor
24 on or before September 30, 1988; December 30, 1988;
25 March 30, 1989; and June 30, 1989, shall determine the
26 amount of such tax on each hospital and shall give
27 notice of the amount to the hospital upon which the
28 tax is levied. The amount of tax on each quarterly
29 notice shall be .002 of the hospital's financial
30 requirements of the most recently completed quarter of
31 the hospital's payment year.'

32 Further amend the amendment by renumbering the

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to
H.P. 1643, L.D. 2242

1 sections to read consecutively.

2 STATEMENT OF FACT

3 The committee amendment takes advantage of federal
4 options to extend Medicaid coverage to: Infants up to
5 one year of age and pregnant women, up to 100%
6 poverty; children one to 4 years of age up to 100%
7 poverty; and elderly and disabled, up to 100% of
8 poverty; at a cost to the General Fund of \$1,845,107,
9 of which \$1,600,000 will be raised through an
10 assessment on hospitals, leaving only \$245,107 from
11 other General Fund revenues.

12 Representatives of hospitals, the Maine Health
13 Care Finance Commission, payers and consumers have
14 supported general funding of the program, but have
15 agreed that funds for this option could be raised
16 through an assessment on hospitals which would be
17 passed through to payers, but with a reconciliation to
18 pass through also to payers an equal or greater amount
19 of savings from reduced charity care expenses. The
20 result is expected to be no increase in premiums
21 resulting from this option.

22 An assessment for one year of .002 of hospital
23 financial requirements is projected to raise
24 \$1,600,000. The program proposed is reasonably
25 projected to result in payments to hospitals in excess
26 of \$2,000,000. The assessment is sunsetted and
27 includes a reconciliation to assure that the amount by
28 which new payments to hospitals reduced charity care
29 is "passed on" in decreased payment requirements to