

MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 2433

H.P. 1780 House of Representatives, March 3, 1988
Approved for introduction by a majority of the
Legislative Council pursuant to Joint Rule 26.

Reference to the Committee on Appropriations and
Financial Affairs suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative CLARK of Brunswick.

Cosponsored by Senators GILL of Cumberland, CLARK of
Cumberland and Representative DELLERT of Gardiner.

STATE OF MAINE

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

1 **AN ACT to Allow Greater Flexibility in**
2 **Education, Financial Assistance, Training and**
3 **Wages Relating to Health Care Facilities**
4 **Experiencing Labor Shortages.**
5

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

8 **Sec. 1. 20-A MRSA c. 424 is enacted to read:**

1 CHAPTER 424

2 MAINE HEALTH CARE WORKERS'
3 SCHOLARSHIP AND LOAN PROGRAM

4 §12101. Definitions

5 As used in this chapter, unless the context
6 otherwise indicates, the following terms have the
7 following meanings.

8 1. Health care institution. "Health care
9 institution" includes, but is not limited to,
10 hospitals, nursing homes, other intermediate and
11 long-term care facilities, clinics and home health
12 care agencies.

13 2. Health care worker. "Health care worker"
14 includes, but is not limited to, entry-level health
15 occupations, such as certified nurses aides and home
16 health aides; technical hospital-based occupations,
17 such as X-ray technicians, surgical technicians,
18 laboratory technicians and occupational or respiratory
19 therapists; and nurses. The term health care worker
20 does not include physicians.

21 §12102. Maine Health Care Workers' Scholarship and
22 Loan Program; establishment

23 The Maine Health Care Workers' Scholarship and
24 Loan Program is established to promote availability of
25 needed health care workers who desire to work in this
26 State.

27 1. Fund created. The Maine Health Care Workers'
28 Scholarship and Loan Fund, a nonlapsing,
29 interest-earning, revolving fund, shall be created by
30 the commissioner. All unexpended funds shall be
31 carried forward in the fund. All funds shall be
32 invested by the Treasurer of State and the fund may
33 receive, invest and expend money from gifts, grants,
34 bequests and donations, in addition to money
35 appropriated by the State.

1 2. Administration. The fund shall be
2 administered by the department.

3 3. Disbursements from fund. If the Commissioner
4 of Human Services determines, pursuant to this
5 section, that a shortage of health care workers
6 exists, any resident of the State who demonstrates an
7 interest in working in a Maine health care institution
8 may apply for a scholarship loan for the purpose of
9 educational or training expenses from an accredited
10 educational institution or program.

11 4. Agreement and repayment. Unless otherwise
12 forgiven, each recipient of a loan shall enter into an
13 agreement with the commissioner which provides for
14 repayment of the loan plus interest upon conclusion of
15 the educational program.

16 5. Forgiveness of indebtedness. One fourth of
17 the indebtedness shall be forgiven for each year in
18 which a person with a loan from this fund practices
19 that person's profession with a Maine health care
20 provider.

21 §12103. Rules

22 The commissioner shall establish rules pursuant to
23 the Maine Administrative Procedure Act, Title 5,
24 chapter 375, necessary to carry out the purposes of
25 this chapter, except that the Commissioner of Human
26 Services, after consultation with the Commissioner of
27 Labor, shall develop rules and report annually to the
28 commissioner for determining those classifications of
29 health care workers for which there is a shortage.

30 §12104. Administration expenses

31 The commissioner shall administer this scholarship
32 program and loan fund from the funds allocated; annual
33 administrative costs shall not exceed 5% of the annual
34 appropriation.

35 Sec. 2. 22 MRSA §396-D, sub-§9, ¶E, as enacted
36 by PL 1987, c. 402, Pt. A, §137, and c. 440, §3, is
37 repealed and the following enacted in its place:

1 E. In determining payment year financial
2 requirements, the commission shall include an
3 adjustment to reflect the reasonable costs,
4 including reasonable attorneys' fees, incurred by
5 a hospital to prosecute an appeal of a commission
6 decision pursuant to section 397, subsection 4,
7 provided that the adjustment reflects only those
8 reasonable costs that are associated with the
9 issues on which the hospital has prevailed in
10 court, including costs associated with presenting
11 those issues to the commission in the case from
12 which the appeal was taken. The commission shall
13 make an adjustment under this paragraph only to
14 the extent that the costs found to be reasonable
15 are not otherwise included in financial
16 requirements.

17 **Sec. 3. 22 MRSA §396-D, sub-§9, ¶¶G, H and I**
18 **are enacted to read:**

19 G. The commission shall include an adjustment to
20 financial requirements for increases in costs of
21 compensation and direct costs associated with
22 employee benefits such as, but not limited to,
23 child care or relocation expenses for hospital
24 employees to the extent that a hospital
25 demonstrates that such increases are reasonably
26 necessary to retain or recruit such personnel,
27 that such increases are in excess of the increases
28 attributable to the compensation proxy included in
29 the economic trend factor and that the hospital
30 has passed on the value of the compensation cost
31 proxy in past years. In determining this
32 adjustment, the commission shall consider the
33 current labor market conditions affecting the
34 hospital and the hospital's compensation rates in
35 relation to those of other similarly situated
36 hospitals or employers with whom the hospital
37 competes for such personnel. Those adjustments
38 may be made during the course of a payment year.

39 H. A hospital shall be entitled to an adjustment
40 to its financial requirements not otherwise
41 provided for in its base year for reasonable

1 educational benefits provided to any of its
2 employees enrolled in a program to become an
3 allied health care professional. An allied health
4 care professional shall include, but not be
5 limited to, nurses, certified nurse assistants,
6 occupational therapists, physical therapists,
7 radiology therapists and respiratory therapists.
8 To qualify for this adjustment, a hospital shall
9 demonstrate need for such personnel.

10 I. A hospital shall be entitled to an adjustment
11 to its financial requirements not otherwise
12 provided for in its base year for reasonable costs
13 incurred recruiting nurses or other allied health
14 care personnel. Reasonable costs shall include,
15 but not be limited to, agency fees, assumption by
16 the hospital of directly related health care
17 educational loans of the employee, advertising and
18 travel costs. To qualify for this adjustment, a
19 hospital shall demonstrate need for such trained
20 health care workers.

21 **Sec. 4. Appropriation.** The following funds are
22 appropriated from the General Fund to carry out the
23 purposes of this Act.

24

1988-89

25 EDUCATIONAL AND CULTURAL
26 SERVICES, DEPARTMENT OF

27 Maine Health Care Workers'
28 Scholarship and Loan Fund

29 All Other

\$500,000

30 These funds shall be used
31 as follows: \$250,000 will
32 provide scholarships, and
33 \$250,000 will provide
34 loans, to qualified Maine
35 residents on the basis of
36 need, to ensure, to the

1 extent practicable, that
2 Maine residents are
3 attracted to educational
4 institutions or programs
5 to become health care
6 workers and to work in
7 Maine health care
8 institutions.

9 STATEMENT OF FACT

10 The increasing shortage of nursing and other
11 health care personnel is having serious consequences
12 for health care in this State. This bill provides
13 funds for scholarships and loans through a health care
14 worker loan fund to be administered by the Department
15 of Educational and Cultural Services and operated in a
16 manner similar to the State's physician loan fund. It
17 will cover allied health professionals, including
18 registered nurses, licensed practical nurses, certified
19 nurse assistants, occupational therapists and physical
20 therapists.

21 In addition, the bill provides mechanisms for
22 hospitals to recover certain education and training
23 costs incurred on behalf of their employees and for
24 reimbursement of wage and benefit costs meeting
25 certain tests and standards.

26 The sections amending the Maine Revised Statutes,
27 Title 22, section 396-D, subsection 9, paragraphs E
28 and G are necessary to clarify a conflict.

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