

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 403

S.P. 169

Received by the Secretary, February 5, 1991

Reported by Senator CLARK of Cumberland for the Commission to Study the Level of Services for Maine's Elderly Citizens pursuant to Resolve 1989, chapter 58.

Reference to the Committee on Human Resources suggested and ordered printed pursuant to Joint Rule 18.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

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STATE OF MAINE

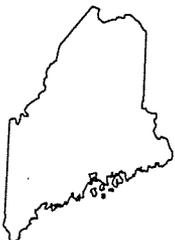
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

---

**An Act to Enhance Medical and Social Services for Maine's Long-term  
Care Consumers.**

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

2  
4       Sec. 1. 5 MRSA §12004-I, sub-§30-A is enacted to read:

6           30-A.        Long-term Care       Expenses        5 MRSA  
Health        Policy Com-       Only        §19121  
                  mittee

8       This subsection is repealed on October 1, 1995.

10       Sec. 2. 5 MRSA c. 436 is enacted to read:

12                                   CHAPTER 436

14                                   LONG-TERM CARE POLICY COMMITTEE

16       §19121. Establishment

18       The Long-term Care Policy Committee, as established in  
20 section 12004-I, subsection 30-A, shall advise the Governor, the  
22 Legislature, the Commissioner of Human Services, the Commissioner  
24 of Mental Health and Mental Retardation, other appropriate  
26 executive branch officials, the Maine congressional delegation,  
and appropriate federal agency officials regarding the  
development of policy, long-range plans and short-range  
implementation strategies for the State's long-term care system.

28       §19122. Duties

30       The committee shall:

32       1. Assessment of system needs. Continually assess the  
34 needs of the long-term care system, including the need for new or  
improved data;

36       2. System development. Identify how the long-term care  
38 system must develop in order to address recognized needs;

40       3. Resource allocation. Recommend the allocation of  
42 resources, including, but not limited to, the level of funding  
44 needed for informal care, nursing homes, boarding homes,  
home-based care, congregate housing units and services, adult day  
care, assisted living, respite care, foster homes and other  
components of the long-term care system;

46       4. Advocacy. Advocate to the Governor, the Legislature,  
48 the departments of State Government and others for the  
development of an effective, efficient and responsive long-term  
care system; and

50       5. Self-evaluation. Continually evaluate its own  
52 effectiveness in carrying out the purposes of this chapter.

2       **§19123. Report; legislation**

4           The committee shall prepare an annual report and submit it  
6       by December 1st to the Governor and to the joint standing  
8       committees of the Legislature having jurisdiction over  
10       appropriations and financial affairs, human resources, banking  
12       and insurance, and aging, retirement and veterans matters. A  
14       copy of the report must be submitted to the Executive Director of  
16       the Legislative Council. The report must describe the  
18       committee's activities for the year and propose specific  
20       legislation needed to implement the committee's recommendations.

22       **§19124. Relationship to Maine Health Policy Advisory Council**

24           The Maine Health Policy Advisory Council shall provide  
26       administrative support to the committee, including payment of  
28       bills, and may accept public and private funds on behalf of the  
30       committee to carry out the purposes of this chapter. All funds  
32       appropriated for the committee must be maintained in a separate  
34       account. The committee shall establish its office within the  
36       offices of the Maine Health Policy Advisory Council, and shall  
38       share the costs of office space, telephones, equipment and  
40       supplies.

42           The committee shall share ideas and information with the  
44       Maine Health Policy Advisory Council, and the 2 bodies shall  
46       attempt to coordinate their efforts in the area of long-term care  
48       policy. Notwithstanding these coordination efforts, the  
50       committee is independent and does not require Maine Health Policy  
52       Advisory Council approval to formulate and advocate for long-term  
54       care policy.

56       **§19125. Membership; chair; subcommittees**

58           1. Membership. The committee has 15 members, appointed as  
60       follows:

62           A. The Governor shall appoint one representative of a  
64       company providing health insurance in the State, one  
66       representative of the Department of Human Services, and 3  
68       members of the general public from various geographic areas  
70       of the State who are at least 60 years of age. The  
72       Governor's appointees shall serve for terms of 3 years,  
74       except that, for those first appointed, 2 shall serve for  
76       terms of 3 years, 2 shall serve for terms of 2 years, and  
78       one shall serve for a term of one year;

80           B. The President of the Senate shall appoint one member of  
82       the Senate and the Speaker of the House of Representatives  
84       shall appoint 2 members of the House of Representatives.

2 Legislative members shall serve during their legislative  
3 terms; and

4 C. The President of the Senate and the Speaker of the House  
5 of Representatives shall appoint jointly one representative  
6 from the Maine Committee on Aging, one representative from  
7 an association of hospitals, one representative from an  
8 association of nursing homes, one representative from an  
9 association of home care providers, one representative from a  
10 company providing health insurance in the State, and one  
11 representative from area agencies on aging. These  
12 appointees shall serve for terms of 3 years, except that,  
13 for those first appointed, 2 shall serve for terms of 3  
14 years, 3 shall serve for terms of 2 years and 2 shall serve  
15 for terms of one year.

16  
17 2. Vacancies and reappointments. Any appointment made to  
18 fill a vacancy must be made in the same manner as the appointment  
19 of the member who vacated the position. Any member appointed to  
20 fill a vacancy occurring prior to the expiration of the term for  
21 which that member's predecessor was appointed must be appointed  
22 only for the remainder of that term. Members may be reappointed,  
23 but nonlegislative members may not serve more than 2 consecutive  
24 full terms of 3 years each. Members may serve after the  
25 expiration of their terms until their successors have been  
26 appointed.

27  
28 3. Chair. The Governor, the President of the Senate and  
29 the Speaker of the House of Representatives shall designate  
30 jointly the chair from among the legislative members. The  
31 committee shall meet at the call of the chair, but not less often  
32 than 6 times a year.

33  
34 4. Subcommittees. The chair may appoint subcommittees that  
35 include persons who are not committee members to carry out the  
36 purposes of this chapter.

37  
38 5. Expenses. Committee members are entitled to receive  
39 reimbursement for expenses in accordance with chapter 379.

40  
41 **§19126. Cooperation by departments**

42  
43 State departments, agencies and boards shall cooperate with  
44 the committee by providing written information when requested and  
45 by assigning representatives to meet with the committee and serve  
46 on subcommittees when invited.

47  
48 **§19127. Repeal**

49  
50 This chapter is repealed on October 1, 1995.

2           **Sec. 3. 22 MRSA §254, next to last ¶**, as amended by PL 1983, c.  
290, is further amended to read:

4           The department may form an advisory committee which it may  
6 consult for technical information regarding the nature and  
operation of this particular program. The nature and composition  
8 of the advisory committee shall ~~be~~ is at the discretion of the  
Commissioner of Human Services. The members of that advisory  
10 committee shall serve without compensation; the department may  
disburse funds from an account created pursuant to this section  
12 to defray the reasonable costs associated with formulation of  
policy and the carrying out of activities of this committee. The  
14 department may disburse funds from the account set up to carry  
out the purposes of this section to reimburse members of the  
16 advisory committee for their reasonable expenses incurred in  
carrying out their duties under this section. In no circumstance  
18 may expenditures of over \$3,000 per year be incurred for the  
operation of this committee and all such expenditures must be  
20 approved by the Governor. The advisory committee shall review  
the program annually to ensure that needed drugs are covered and  
that eligibility standards are reasonable, and shall make  
recommendations based on its review to the commissioner. If the  
department does not form an advisory committee, this annual  
review must be conducted by the drug formulary committee created  
in accordance with section 3174-J.

28           **Sec. 4. 22 MRSA §254**, as amended by PL 1989, c. 878, Pt. A,  
§§54 and 55, is further amended by adding at the end a new  
30 paragraph to read:

32           Beginning January 1, 1992, the department shall provide a  
mail order service in which recipients may participate in  
voluntarily. Notwithstanding other provisions of this section,  
financial incentives must be incorporated into the mail order  
option to encourage participation. The department shall keep  
records and compare the cost of the mail order option to the cost  
of other distribution methods. If the mail order option results  
in savings over the other distribution methods, the department  
shall use the savings to add new drugs to the program or shall  
propose to the Legislature that eligibility be expanded.

42           **Sec. 5. 22 MRSA §3174-K** is enacted to read:

44           **§3174-K. Coverage for eyeglasses and hearing aids**

46           The department shall provide Medicaid coverage for  
eyeglasses and hearing aids for eligible individuals without  
regard to type of residence.

50           **Sec. 6. 22 MRSA §3192** is enacted to read:

52

2 **§3192. Medicaid capitation study and demonstration**

4 **1. Cost-benefit study.** The department shall study the  
6 costs and benefits of fully or partially capitating the Medicaid  
8 program and submit a report to the joint standing committees of  
10 the Legislature having jurisdiction over human resources and  
appropriations and financial affairs matters by February 1,  
1992. A copy of the report must be submitted to the Executive  
Director of the Legislative Council. The study must consider at  
least the following possibilities:

12 **A. Capitation of the entire Medicaid program;**

14 **B. Capitation in discrete geographical locations; and**

16 **C. Capitation of long-term care services.**

18 The report must include an analysis of expected cost savings and  
20 other potential benefits and of quality assurance issues and  
other potential costs.

22 **2. Demonstration project.** If the department finds that the  
24 benefits of full or partial capitation outweigh the costs, it  
shall include in its report a proposal for a demonstration  
26 project, together with any necessary implementing legislation.

28 **Sec. 7. 22 MRSA §7324 is enacted to read:**

30 **§7324. Maintaining effort in all regions**

32 Beginning with fiscal year 1991-92, the department shall  
34 make available within each region funds that exceed the previous  
fiscal year's distribution by at least an amount calculated to  
36 allow for inflation in the cost of in-home and community support  
services, unless the department demonstrates, based on  
38 demographic and other relevant indicators, that a region's need  
for in-home and community support services has decreased from the  
40 previous fiscal year. The department shall use a nationally  
recognized index to determine the applicable rate of inflation.

42 **Sec. 8. 23 MRSA §4209, sub-§3, ¶A-2 is enacted to read:**

44 **A-2. In consultation with the Bureau of Insurance, advise**  
**transportation providers regarding the liability of**  
46 **volunteer drivers;**

48 **Sec. 9. 36 MRSA §6162-A, sub-§2, as repealed and replaced by**  
**PL 1987, c. 876, §§4 and 10, is amended to read:**

50 **2. Income.** Eligibility for this program shall--be is  
52 determined by the same income levels as eligibility for elderly  
households is determined under chapter 907, except that when an

2 applicant demonstrates that the income of other individuals in  
3 the applicant's household is not available to the applicant, only  
4 the applicant's income may be considered.

6 **Sec. 10. Home Equity Conversion Report.** The Maine Committee  
7 on Aging shall study the home equity conversion program which is  
8 jointly administered by the Bureau of Elder and Adult Services  
9 and the Maine State Housing Authority and shall submit a report  
10 to the Joint Standing Committee on Human Resources by February 1,  
11 1992. A copy of the report must be sent to the Executive  
12 Director of the Legislative Council. The report must present  
13 program statistics and an analysis of its success, along with any  
14 recommended legislation.

16 **Sec. 11. Appropriation.** The following funds are appropriated  
17 from the General Fund to carry out the purposes of this Act.

18 1991-92 1992-93

20 **HUMAN SERVICES, DEPARTMENT OF**

22 **Long-term Care - Human Services**

24 All Other \$15,000,000 \$20,000,000

26 Provides funds to expand and  
27 index home-based care  
28 programs throughout the State  
29 to meet fully the needs of  
30 the elderly.

32 **HUMAN SERVICES, DEPARTMENT OF**

34 **Medical Care Administration**

36 All Other \$32,500

38 Provides funds to study and  
39 report on the costs and  
40 benefits of fully or  
41 partially capitating the  
42 Medicaid program.

44 **HUMAN SERVICES, DEPARTMENT OF**

46 **Medical Care Payments to Providers**

48 All Other \$776,764 \$383,754

50 Provides funds for eyeglasses

and hearing aids for all  
eligible individuals.

**DEPARTMENT OF HUMAN SERVICES  
TOTAL**

\$15,809,264      \$20,383,754

**MAINE HEALTH POLICY  
ADVISORY COUNCIL**

**Long-term Care Policy Committee**

Positions	(1)	(1)
Personal Services	\$26,951	\$39,247
All Other	11,250	13,000
Capital Expenditures	5,000	

Provides funds for a  
Comprehensive Health Planner  
II position to staff the  
Long-term Care Policy  
Committee, and for committee  
expenses and general  
operating costs. Capital  
Expenditures include funds to  
purchase a computer.

**MAINE HEALTH POLICY  
ADVISORY COUNCIL  
TOTAL**

\$43,201      \$52,247

**TOTAL APPROPRIATION**

\$15,852,465      \$20,436,001

**Sec. 12. Allocation.** The following funds are allocated from  
Federal Expenditure fund to carry out the purposes of this Act.

**1991-92      1992-93**

**HUMAN SERVICES, DEPARTMENT OF**

**Medical Care Administration**

All Other      \$32,500

Provides for the allocation  
of federal matching funds to  
study and report on the costs  
of capitating the Medicaid  
program.

**Medical Care - Payments to Providers**

2	All Other	\$1,304,040	\$611,974
4	Provides for the allocation		
6	of federal matching funds for		
8	eyeglasses and hearing aids		
	for eligible individuals of		
	all ages.		
10	<b>DEPARTMENT OF HUMAN SERVICES</b>		
	<b>TOTAL</b>	<u>\$1,336,540</u>	<u>\$611,974</u>

14 **STATEMENT OF FACT**

16 This bill is recommended unanimously by the Commission to  
18 Study the Level of Services for Maine's Elderly Citizens. It  
does the following:

20 1. Creates the Long-term Care Policy Committee to develop  
and advocate for coordinated long-term care policy;

22 2. Requires the low-cost drug program advisory board to  
24 review the program annually to ensure that needed drugs are  
covered and that eligibility standards are reasonable. It also  
26 requires the Department of Human Services to establish a  
voluntary mail order option within the program. The bill also  
28 requires that, in cases where household income is not available  
to an individual applicant, only the individual's income may be  
30 considered in determining eligibility for the low-cost drug  
program;

32 3. Requires that Medicaid reimbursement be available for  
34 eyeglasses and hearing aids for eligible people of all ages,  
regardless of where they live. Presently, eye glasses and  
36 hearing aids are only reimbursable for recipients who live in  
institutional settings;

38 4. Requires the Department of Human Services to study the  
40 costs and benefits of fully or partially capitating the Medicaid  
program;

42 5. Requires that funds for the in-home and community  
44 support services program be indexed annually to ensure that  
effort is at least maintained in each region. The bill also  
46 appropriates funds to meet fully the need for the program;

48 6. Requires the Department of Transportation to consult  
with the Bureau of Insurance and assist transportation providers  
50 with volunteer liability issues; and

2           7. Requires the Maine Committee on Aging to study the home equity conversion program and report to the Legislature.