

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 1080

S.P. 404

Received by the Secretary, March 11, 1991

Referred to the Committee on Human Resources and 1400 ordered printed pursuant to Joint Rule 14.

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

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator FOSTER of Hancock

Cosponsored by Representative CONSTANTINE of Bar Harbor, Representative CARROLL of Southwest Harbor and Senator PEARSON of Penobscot.

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STATE OF MAINE

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

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**An Act to Require the Department of Human Services to Adopt Criteria for Competitive Reviews of Hospital Certificate of Need Projects and for Other Purposes.**

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

22 MRSA §307, sub-§6-A, as amended by PL 1985, c. 418, §10,  
is repealed and the following enacted in its place:

6-A. Review cycles. The department shall establish review cycles for the review of applications. There must be at least one review cycle for each type or category of project each calendar year, the dates for which must be published at least 3 months in advance. An application must be reviewed during the next scheduled review cycle following the date on which the application is either declared complete or submitted for review pursuant to section 306-A, subsection 4, paragraph B. Hospital projects that must be considered within the constraints established by the Certificate of Need Development Account established pursuant to section 396-K may be grouped for competitive review purposes at least once each year, provided that for minor projects, as defined by the department through rules adopted pursuant to section 312, the department shall allocate a portion of the Certificate of Need Development Account for the approval of those projects and shall establish at least 6 review cycles each year for the review of those projects. The department shall promulgate rules setting forth criteria and procedures for carrying out competitive reviews of hospital projects that are subject to the constraints of the Certificate of Need Development Account. These criteria must establish priorities for approval of projects and must address, among other factors:

A. The provision of primary care and essential medical specialties to service areas that currently lack those services;

B. The urgent and compelling nature of the project and whether it has been subject to delay through insufficient credits in the Certificate of Need Development Account in prior years;

C. The special needs of small hospitals;

D. Obsolescence of physical plants and related licensure and safety concerns;

E. The provision of services or equipment that afford technological developments or other advances that significantly enhance patient outcomes or quality of care; and

F. Management services or other improvements in the quality of care.

2 Nursing home projects that propose to add new nursing home beds  
4 to the inventory of nursing home beds within the State may be  
6 grouped for competitive review purposes consistent with  
8 appropriations made available for that purpose by the  
10 Legislature. The department may hold an application for up to 90  
12 days following the commencement of the next scheduled review  
14 cycle if, on the basis of one or more letters of intent on file  
16 at the time the application is either declared complete or  
18 submitted for review pursuant to section 306-A, subsection 4,  
20 paragraph B, the department expects to receive within the  
22 additional 90 days one or more other applications pertaining to  
24 similar types of services, facilities or equipment affecting the  
26 same health service area. Pertinent health service areas must be  
28 defined in rules promulgated by the department pursuant to  
30 section 312, based on recommendations by the State Health  
32 Coordinating Council.

#### STATEMENT OF FACT

22 This bill modifies provisions of the laws governing  
24 certificates of need that affect the manner in which certain  
26 hospital projects are reviewed and approved. Under existing law,  
28 all so-called major hospital projects must be grouped for a  
30 one-time annual review within the constraints of the Certificate  
of Need Development Account. Projects that are determined  
approvable may have to be deferred as a result of insufficient  
funds in the Certificate of Need Development Account.

32 This bill requires the department to adopt rules setting  
34 forth criteria for establishing priorities among such projects  
based on consideration of the factors enumerated.