

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1650

H.P. 1125

House of Representatives, April 24, 1991

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

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

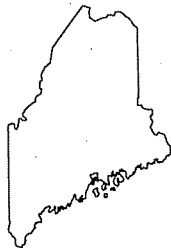
Presented by Representative OTT of York.

Cosponsored by Senator ESTES of York, Representative HICHENS of Eliot and Representative LAWRENCE of Kittery.

STATE OF MAINE

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

**An Act to Establish Minimum Standards for Special Relief for Border
Hospitals.**



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

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4 22 MRSA §396-D, sub-§9-C, as enacted by PL 1989, c. 878, Pt. A, §57, is repealed and the following enacted in its place:

6 9-C. Special relief for border hospitals. In determining
8 financial requirements for a border hospital's 3rd, 4th and 5th
10 payment years, the commission shall make a special adjustment in
12 accordance with the following provisions.

14 A. As used in this subsection, the following terms have the
16 following meanings.

18 (1) "Border hospital" means a hospital located in this
20 State within 10 miles of the New Hampshire border.

22 (2) "Break-even operating revenue" means the amount
24 derived from the following calculation, each component
26 of which must be as presented in an audited annual
28 financial statement prepared for a border hospital by
30 an independent certified public accounting firm:

32 (a) The sum of actual operating expenses and the
34 provision for bad debt and charity care, relating
36 to both acute care and subacute care, less the sum
38 of other operating revenue and net revenue for
40 subacute care.

42 (3) "Economic hardship" means an excess of reasonably
44 budgeted, noncapital, acute care operating expenses
46 over noncapital financial requirements.

48 (4) "Fifth payment year" means a hospital's payment
50 year beginning or deemed to begin on or after October
1, 1988 and before October 1, 1989.

(5) "Fourth payment year" means a hospital's payment
year beginning or deemed to begin on or after October
1, 1987 and before October 1, 1988.

(6) "Inpatient case mix adjusted discharge" means,
with respect to a payment year of a border hospital, an
inpatient case mix adjusted discharge recorded for such
a hospital by an independent data organization with
which the commission has entered into a contract
pursuant to section 394, subsection 3 in conformity
with the 5th version of the methodology published by
the federal Health Care Financing Administration for
classifying hospital patient discharges into
diagnosis-related groupings known as Grouper 5.

2 (7) "Third payment year" means a hospital's payment
3 year beginning or deemed to begin on or after October
4 1, 1986 and before October 1, 1987.

6 B. After considering the unique circumstances affecting
7 border hospitals, the commission shall establish financial
8 requirements for border hospitals in conformity with this
9 subsection.

10 (1) For a border hospital's 3rd payment year, its
11 financial requirements may be no less than \$4,580 per
12 inpatient case mix adjusted discharge.

13 (2) For a border hospital's 4th payment year, its
14 financial requirements may be no less than \$4,588 per
15 inpatient case mix adjusted discharge.

16 (3) For a border hospital's 5th payment year, the
17 financial requirements to which it is otherwise
18 entitled under this chapter must be adjusted so that
19 its total financial requirements are the lesser of:

20 (a) Five thousand five hundred eighty-nine
21 dollars per inpatient case mix adjusted discharge;
22 or

23 (b) Its break-even operating revenue per
24 inpatient case mix adjusted discharge.

25 C. An adjustment under this subsection becomes part of
26 payment year financial requirements for purposes of
27 computing subsequent payment year financial requirements
28 pursuant to section 396-C.

29 D. Notwithstanding section 396-I, subsection 3, paragraph B
30 or any other provision of this chapter, there may not be a
31 reduction in payments in a subsequent year to a border
32 hospital with respect to any overcharges by that hospital
33 during its 3rd, 4th or 5th payment year.

34 E. Notwithstanding section 396-I, subsection 3, paragraph D
35 or any other provision of this chapter, the commission may
36 not impose a penalty on any border hospital for exceeding
37 the gross patient service revenue limits established for its
38 3rd, 4th or 5th payment year.

39 F. Notwithstanding any other provision of this chapter, any
40 violation by a border hospital of a charge corridor
41 established pursuant to the commission's rules for the
42 hospital's 3rd, 4th or 5th payment year may not:

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(1) Result in the imposition of any penalty on the hospital; or

(2) Have an impact on any charge corridor established for the hospital for any subsequent year.

STATEMENT OF FACT

This bill amends the health care finance laws to establish minimum standards for special relief for border hospitals.