



## 116th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1993

Legislative Document

No. 1253

H.P. 930

House of Representatives, April 13, 1993

An Act to Define Certain Municipal Service Charges or Payments in Lieu of Tax as Elements of Hospital Financial Requirements under the State of Maine Hospital Care Financing System.

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

JOSEPH W. MAYO, Clerk

Presented by Representative SAXL of Bangor. Cosponsored by Representatives: ADAMS of Portland, FAIRCLOTH of Bangor, HOGLUND of Portland, MORRISON of Bangor, SULLIVAN of Bangor.

Be it enacted by the People of the State of Maine as follows: 2 Sec. 1. 22 MRSA §396-A, sub-§2, ¶C, as enacted by PL 1983, c. 579, §10, is amended to read: 4 6 c. Compensation paid to physicians for professional services to the extent that such the compensation is included on a hospital's trial balance of expenses as 8 reported in its Medicare cost report; and 10 Sec. 2. 22 MRSA §396-A, sub-§2, ¶C-1 is enacted to read: 12 C-1. Charges for municipal services, including municipal service charges established under Title 36, section 652, 14 subsection 1, paragraph L to the extent authorized by that section, and including voluntary payments in lieu of local 16 property taxes or service charges not in excess of 2% of a 18 hospital's gross operating revenues for the prior year. As used in this section, "municipal services" includes those 20 municipal services listed in Title 36, section 652, subsection 1, paragraph L, subparagraph (1); and 22 Sec. 3. 22 MRSA §396-D, sub-§9, ¶I is enacted to read: 24 I. In determining payment year financial requirements for 26 hospital fiscal years beginning on or after July 1, 1993, the commission shall include an adjustment for the hospital's cost of municipal services allowable as an 28 element of the hospital's base year financial requirements under section 396-A, subsection 2, paragraph C-1. In 30 determining payment year financial requirements for hospital fiscal years beginning on or after July 1, 1994, the 32 commission shall include an adjustment for any increase or 34 decrease in the hospital's cost of those services. 36 STATEMENT OF FACT 38

40 This bill amends the laws related to base year financial requirements of hospitals in the State. The bill includes the 42 cost of municipal services in a hospital's base year financial requirements under the Maine Revised Statutes, Title 22, section 396-A, allowing the hospital to recover these costs under Title 44 22, section 396-B et seq. Recovery of these costs is authorized when the hospital pays a municipal service charge established 46 under Title 36, section 652, subsection 1, paragraph L or makes a 48 voluntary payment to the municipality concerned by agreement or otherwise. In the case of a voluntary payment, the amount of the 50 charges recoverable is limited to 2% of the hospital's prior year

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gross operating revenues. In the case of a payment under Title 36, section 652, subsection 1, paragraph L, the amount recoverable is limited to 2% of current year gross revenue.

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