

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



116th MAINE LEGISLATURE

SECOND REGULAR SESSION-1994

Legislative Document

No. 1740

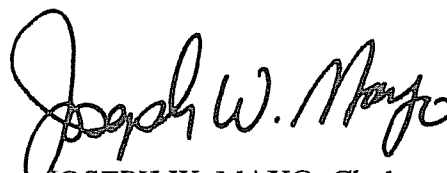
H.P. 1292

House of Representatives, January 19, 1994

An Act to Clarify Medicaid Reimbursement for New Psychiatric Hospitals.

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26. Reference to the Committee on Human Resources suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative CAMPBELL of Holden.
Cosponsored by Senator BALDACCI of Penobscot and
Representatives: CROSS of Dover-Foxcroft, FAIRCLOTH of Bangor, MICHAUD of East
Millinocket, MORRISON of Bangor, REED of Dexter, RUHLIN of Brewer, SAXL of Bangor,
STEVENS of Orono, SULLIVAN of Bangor, WINN of Glenburn, Senator: O'DEA of Penobscot.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Acadia Hospital Corporation, a not-for-profit, 100-bed psychiatric hospital located in Bangor, opened on August 27, 1992 and began serving Medicaid patients pursuant to the terms of a provider enrollment agreement executed with the Department of Human Services; and

Whereas, subsequent to the providing of services and the rendering of payment to Acadia Hospital Corporation with respect to such services, questions have arisen regarding the proper interpretation of certain underlying rules and provider agreements; and

Whereas, clarification of these interpretive issues and accompanying financial questions are critical to the financial stability of Acadia Hospital Corporation and to the ongoing provision of needed psychiatric services to patients in the hospital service area; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 22 MRSA §1812-I is enacted to read:

§1812-I. Reimbursement for new psychiatric hospitals

The following provisions govern the reimbursement of a psychiatric hospital that begins operation on or after August 1, 1992, referred to in this section as a "new hospital."

1. Provider agreement. If the department and a new hospital have executed a provider enrollment agreement that, by its terms, affords the hospital Medicaid reimbursement for all Medicaid patients admitted on and after the date the hospital begins operation:

A. That provider agreement must be honored; and

B. The hospital must be extended Medicaid payments with respect to all patients treated under that agreement.

2. Terms of the State's Medicaid plan. If the existing state Medicaid plan, submitted by the department to federal

2 authorities, requires payment of a disproportionate share payment
4 for the entirety of the affected payment year, the terms of such
6 a plan must be followed and corresponding payments must be made
8 to any new psychiatric hospital.

10 3. Maine Health Care Finance Commission rules. If the
12 rules of the Maine Health Care Finance Commission require a full
14 year payment of an "additional payment" to a disproportionate
16 share hospital, the same rules apply to any new psychiatric
18 hospital.

20 4. Departmental cooperation. The department shall
22 cooperate in extending fair and complete Medicaid reimbursement
24 to any new psychiatric hospital that has provided services to
26 Medicaid patients from the date the hospital begins operation.

28 **Emergency clause.** In view of the emergency cited in the
30 preamble, this Act takes effect when approved.

32 STATEMENT OF FACT

34 This bill clarifies the reimbursement treatment to be
36 afforded to new psychiatric hospitals. Under this bill, a
38 psychiatric hospital that begins operation on or after August 1,
40 1993 is guaranteed that the terms of an executed provider
enrollment agreement will be honored and that Medicaid
reimbursement will be made. The bill also ensures that the terms
of any state Medicaid plan and Maine Health Care Finance
Commission rules concerning disproportionate share payments apply
to new psychiatric hospitals.

38 This document has not yet been reviewed to determine the
40 need for cross-reference, stylistic and other technical
amendments to conform existing law to current drafting standards.