

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1994

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Legislative Document

No. 1985

H.P. 1460

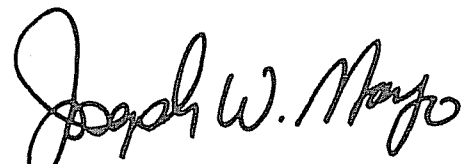
House of Representatives, March 25, 1994

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**An Act to Create the Maine Health Care Authority.**

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Reported by Representative PINEAU for the Joint Standing Committee on Banking and Insurance pursuant to Joint Order H.P. 1453.

  
JOSEPH W. MAYO, Clerk

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

2  
4       **Sec. 1. Establishment of the Maine Health Care Reform**  
6       **Commission.** There is established the Maine Health Care Reform  
8       Commission, referred to in this Act as the "commission." The  
10       goal of the commission is to create alternative comprehensive  
12       health care proposals for consideration by the 117th Legislature,  
14       providing access to health care for all citizens of the State by  
16       July 1, 1997.

18       **Sec. 2. Commission members.** The commission consists of 3  
20       commissioners, appointed according to the provisions of this  
22       paragraph and subject to review and approval by the joint  
24       standing committee of the Legislature having jurisdiction over  
26       banking and insurance matters. One member must be appointed by  
28       the Governor. One member must be appointed jointly by the  
30       President of the Senate and the Speaker of the House of  
32       Representatives. One member must be appointed jointly by the  
34       Governor, the President of the Senate and the Speaker of the  
36       House of Representatives. All appointments must be made within  
38       30 days of the effective date of this Act. The joint standing  
40       committee must review the appointments and vote on approval  
42       within 30 days of the appointments being made. Any vacancy on  
44       the commission must be filled in the manner of the original  
46       appointment.

48       **Sec. 3. Terms of office; reimbursement.** The commissioners serve  
50       from the date of approval by the joint standing committee of the  
Legislature having jurisdiction over banking and insurance  
matters through May 1, 1996. They shall perform their duties on  
a part-time basis and are entitled to reimbursement of \$150 per  
day for work performed in their capacities as commissioners, plus  
reasonable and necessary expenses, upon request from the  
Executive Director of the Legislative Council.

**Sec. 4. Notification; first meeting.** The Executive Director of  
the Legislative Council must be notified when the review and  
approval have taken place by the joint standing committee having  
jurisdiction over banking and insurance matters and convene the  
first meeting of the commission within 14 days of the  
notification.

**Sec. 5. Responsibilities of the commission.** The commission shall  
develop at least 3 models for health care reform and a proposal  
for implementation of a uniform data collection system and report  
to the Governor, the Legislature and the public by November 1,  
1995. On or before January 1, 1996, the commission shall submit  
to the Governor and the Legislature implementing legislation for  
the models for health care reform and for a uniform data  
collection system.

2           **Sec. 6. Development of 3 required models for health care reform.**  
3           The commission shall develop 3 required models for health care  
4           reform including a multi-payor model that provides health  
5           insurance coverage for all citizens of the State, a single-payor  
6           model that provides universal coverage for all citizens of the  
7           State and a model based on the present health care system that  
8           incorporates managed care and other mechanisms to control costs  
9           and to improve access for uninsured citizens of the State.

10  
11           The commission shall design all required models on the same  
12           basis. All required models must contain similar benefits, based  
13           upon a benefit package that the commission determines to be  
14           adequate to ensure necessary health services for the citizens of  
15           the State. The benefit package serves the purposes of pricing  
16           and comparison only. All required models must include budgets  
17           and financing mechanisms. All required models must include  
18           information on the costs of the components of the models.

19           **Sec. 7. Additional report provisions on models for health care**  
20           **reform.** The commission may include in its report additional  
21           models for health care reform, variations on the required models  
22           and combinations of provisions from the required models. For any  
23           additional models reported, the commission must provide the  
24           information directed to be included for the required models.

25           **Sec. 8. Mandatory report provisions on required health care reform**  
26           **models.** The report must contain the following information for  
27           the required health care reform models: projections of the costs,  
28           statements of the economic impact on the State, statements of the  
29           health care services not provided under the models and  
30           discussions and comparisons of the models.

31           **Sec. 9. Factors to be addressed in the development of the required**  
32           **health care reform models.** In developing the required health care  
33           reform models, the commission must address the following factors:  
34           the demographics and geography of the State, the different needs  
35           of the citizens of rural and urban areas of the State, the need  
36           for primary and preventive health care and health professions  
37           education, managed care and cost containment and the desirability  
38           of offering to the insured a choice of health insurance plan.

39           **Sec. 10. Additional responsibilities.** In the course of developing  
40           and reporting on models for health care reform and a proposal for  
41           a uniform data collection system, the commission shall provide  
42           the following:  
43  
44  
45  
46

2 1. A program of public participation and education to  
January 1, 1996;

4 2. An interim report to the Governor, the Legislature and  
6 the public by January 1, 1995, with the option of recommendations  
at that time;

8 3. A draft report to the Governor, the Legislature and the  
10 public by June 1, 1995;

12 4. A public comment period from June 1, 1995 to September  
1, 1995;

14 5. A final report to the Governor, the Legislature and the  
16 public by November 1, 1995; and

18 6. Implementing legislation for all models for health care  
20 reform contained in the final report and the proposal for a  
uniform data collection system by January 1, 1996.

22 The commission shall participate in the legislative process  
from January 1, 1996 to May 1, 1996.

24 **Sec. 12. Public participation and education.** The commission shall  
26 develop a program of public participation and education that must  
involve all interested citizens, parties and groups, including  
28 but not limited to: consumers, providers of health care services,  
public and private agencies, health profession educators, public  
30 policy makers, employers, insurance carriers, managed care  
providers and nonprofit hospital and medical service corporations.

32 The program must provide for adequate representation of all  
interested citizens, parties and groups, giving consideration to  
34 population distribution and demographics, health care needs,  
present and future availability of health care providers and  
36 changes in the delivery of health care.

38 The program must begin early in the work of the commission  
and continue through the presentation of legislation to the  
40 Governor and the Legislature.

42 The program must include participation through a number of  
advisory groups designed to address particular subject areas and  
44 interests, meetings in all areas of the State and opportunities  
for individual and group participation in person and in writing.

46 **Sec. 13. Staff.** The commission may employ unclassified  
48 confidential employees or contract for the services of  
professional and support staff as necessary to carry out the

responsibilities of the commission and may contract with individuals and entities for the provision of consultant and other services. The commission may borrow staff from other state agencies, as agreed upon between the agency and the commission. Through cooperative agreements, the commission may obtain access to the expertise and information of the University of Maine System and state agencies, including but not limited to the State Planning Office, the Bureau of Insurance, the Maine Health Care Finance Commission and the Department of Human Services.

**Sec. 14. Freedom of access.** Meetings of the commission are public meetings and records and papers of the commission are public records for the purposes of the freedom of access laws, pursuant to the Maine Revised Statutes, Title 1, chapter 13, subchapter I.

**Sec. 15. Funds.** The commission is entitled to a General Fund appropriation, which does not lapse at the end of the fiscal year. The commission shall seek funding from outside sources, including grants and awards from foundations and other private and public sources. At the conclusion of the work of the commission, all property of the commission becomes the property of the State and all unexpended funds revert to the General Fund.

**Sec. 16. Administration of the budget.** The Executive Director of the Legislative Council shall administer the budget of the commission.

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

1994-95

## LEGISLATURE

### Maine Health Care Reform Commission

Positions - Legislative Count	(3.0)
Personal Services	\$161,700
All Other	105,800
Capital Expenditures	7,500

TOTAL	<u>\$275,000</u>
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Provides funds for the Maine Health Care Reform Commission for the per diem of commission members, for three limited period

2 staff to include a director, statistician  
and clerical position, general operating  
4 expenses and consulting services, and  
capital expenditure funds for computers.

6 **Sec. 18. Effective date.** This Act takes effect July 20, 1994,  
except that commissioners shall serve from the dates on which  
8 their appointments were reviewed and approved in accordance with  
Section 3. The commissioners are authorized to take action prior  
10 to the effective date of this Act to ensure the effective and  
timely operation of the commission.  
12

### 14 FISCAL NOTE

16 1994-95

### 18 APPROPRIATIONS/ALLOCATIONS

20 General Fund \$275,000

22  
24 This bill requires General Fund appropriations in fiscal  
year 1994-95 and fiscal year 1995-96 to the Legislature for the  
Maine Health Care Reform Commission for the per diem of  
26 commission members, staff for the commission, including a  
director, a statistician and a clerical position, funds for  
28 consulting services, general operations and capital expenditure  
funds for computers. The Joint Standing Committee on Banking and  
30 Insurance has requested an appropriation level of \$275,000 for  
fiscal year 1994-95 and \$206,250 for fiscal year 1995-96 to  
32 support the activities of the commission.

34 The State Planning Office, the Department of Professional  
and Financial Regulation, the Department of Human Services, the  
36 University of Maine System and the Maine Health Care Finance  
Commission can absorb the costs associated with providing  
38 expertise and information to the commission within their existing  
budgeted resources.  
40

### 42 STATEMENT OF FACT

44 This bill establishes the Maine Health Care Reform  
Commission, the goal of which is to create alternative  
46 comprehensive health care proposals for consideration by the  
117th Legislature, providing access to health care for all Maine  
48 citizens by July 1, 1997.

2 The commission consists of 3 appointed members, who serve  
part time for the duration of the work of the commission. The  
4 commission may employ unclassified confidential employees or  
contract for the services of professional and support staff.  
6 Meetings of the commission are public meetings and records of  
the commission are public records within the meaning of the  
freedom of access laws. The commission is funded from the  
8 General Fund and may apply for grants and awards from foundations  
and other public and private sources.

10  
12 This bill charges the commission with bringing back to the  
Governor, the Legislature and the public a report and  
14 implementing legislation on at least 3 models for health care  
reform and a proposal for a uniform data collection system. The  
16 commission must report on 3 models for health care reform: a  
multi-payor model that provides health insurance coverage for the  
18 citizens of the State, a single-payor model that provides  
universal coverage for all citizens of the State and a model  
20 based on the present health care system that incorporates managed  
care and other mechanisms to control costs and to improve access  
for uninsured citizens of the State.

22  
24 This bill requires the commission to develop a program for  
public participation and education, involving all interested  
26 citizens, parties and groups. The public participation and  
education program must begin early in the work of the commission  
28 and continue through the presentation of legislation to the  
Governor and the Legislature.

30 This bill takes effect July 20, 1994.