

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)

m
R d S.

L.D. 371

DATE: 6/23/95

(Filing No. H- 599)

MAJORITY
HUMAN RESOURCES

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 269, L.D. 371, Bill, "An Act to Abolish the Maine Health Care Finance Commission"

Amend the bill by striking out the title and substituting the following:

'An Act Concerning the Maine Health Care Finance Commission'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 22 MRSA §381, sub-§2, ¶E is enacted to read:

E. It is further the intent of the Legislature that the commission provides analyses of the data collected to the Legislature and the public and make recommendations for future legislation in order to protect the public's interests in accessible and affordable health care for the people of the State.

Sec. 2. 22 MRSA §381, sub-§3 is enacted to read:

3. Temporary provisions. In order to monitor changes in hospital charges, to calculate the tax base pursuant to Title 36, section 2801-A, subsections 1 to 4, and to determine whether modifications are needed to improve the current hospital care financing system, for the next 3 payment year cycles that commence on or after October 1, 1995, the commission must calculate revenue limits as described in this chapter. Adjustments pursuant to section 396-I, subsection 3, may not be made in payment years following the 3 payment years

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 269, L.D. 371

described in this subsection if any hospital overcharges or undercharges any revenue limit calculated for any of those 3 payment years. The commission retains the authority to require the filing of information and other data from health care providers as described in this chapter during the 3 payment years described in this subsection. Except for information or data required pursuant to section 396-L, during the next 3 payment year cycles that commence on or after October 1, 1995, the financial information required to be submitted by hospitals is limited to financial information that is prepared in the ordinary course of business by the hospital.

Sec. 3. 22 MRSA §387, sub-§1, as enacted by PL 1989, c. 844, §1, is amended to read:

1. Public access. Any information, except confidential commercial information obtained from a payor or privileged medical information or negotiated discount information filed with the commission pursuant to section 396-L, subsection 4, and any studies or analyses that are filed with, or otherwise provided to, the commission under this chapter must be made available to any person upon request, provided that individual patients or health care practitioners are not directly identified. The commission shall adopt rules governing public access in the least restrictive means possible to information that may indirectly identify a particular patient or health care practitioner.

Sec. 4. 22 MRSA §388, sub-§5, as enacted by PL 1989, c. 588, Pt. A, §8, is repealed.

Sec. 5. 22 MRSA §391, sub-§1, as amended by PL 1993, c. 410, Pt. UUU, §1, is further amended to read:

1. Assessments. Every hospital subject to regulation under this chapter is subject to an assessment of not more than 15% .12% of its gross patient service revenues. ~~Notwithstanding any other provision of law, the commission shall reduce the assessment to hospitals by \$159,077 in fiscal year 1993-94 and by \$276,106 in fiscal year 1994-95. For the period of October 1, 1983, to June 30, 1984, each hospital shall pay an assessment equal to 75% of the total annual dues and fees for which it was liable to a voluntary budget review organization during its most recent fiscal year which ended prior to July 1, 1983. Each hospital shall pay this assessment in 3 equal installments, with payments due on or before November 1, 1983, January 1, 1984, and April 1, 1984. Thereafter, the~~ The commission shall determine the assessments annually prior to July 1st and shall assess each hospital for its pro rata share. Each hospital shall pay the

COMMITTEE AMENDMENT "A" to H.P. 269, L.D. 371

assessment charged to it on a quarterly basis, with payments due on or before July 1st, October 1st, January 1st and April 1st of each year.

Sec. 6. 22 MRSA §396-B, sub-§2, ¶¶A and B, as enacted by PL 1983, c. 579, §10, are amended to read:

A. In computing base year financial requirements for each hospital whose base year is its most recent fiscal year ending on or before June 30, 1984, the commission shall adjust, or require to be adjusted, the budget approved by the voluntary budget review organization to conform to the definition of base year financial requirements established in accordance with section 396-A. The commission shall make appropriate adjustments to the base year financial requirements to reflect increases or decreases in financial requirements occurring between the base year and the commencement of the hospital's first payment year resulting from the factors specified in section 396-D, subsections 1, 2, 4, and 6 to 8 ~~and subsection 9, paragraph B,~~ provided that any rate of increase, on a per case basis, from the base year to the commencement of the hospital's first payment year, shall may not exceed the rate of increase for inpatient hospital costs allowed under the Tax Equity and Fiscal Responsibility Act of 1982.

B. In computing base year financial requirements for each hospital whose base year is its most recent fiscal year ending on or before June 30, 1983, the commission shall adjust, or require to be adjusted, the hospital's audited Medicare cost report to conform to the definition of base year financial requirements established in accordance with section 396-A. The commission shall make appropriate adjustments to the base year financial requirements to reflect increases or decreases in financial requirements occurring between the base year and the commencement of the hospital's first payment year resulting from the factors specified in section 396-D, subsections 1, 2, 4, and 6 to 8 ~~and subsection 9, paragraph B,~~ provided that any rate of increase, on a per case basis, from the base year to the commencement of the hospital's first payment year, shall may not exceed the rate of increase for inpatient hospital costs allowed under the Tax Equity and Fiscal Responsibility Act of 1982.

Sec. 7. 22 MRSA §396-D, sub-§3, ¶C, as enacted by PL 1989, c. 588, Pt. A, §16, is repealed.

Sec. 8. 22 MRSA §396-D, sub-§6-A, as enacted by PL 1989, c. 588, Pt. A, §21, is repealed.

2 **Sec. 9. 22 MRSA §396-D, sub-§9**, as amended by PL 1989, c. 591,
Pt. Q, §§1 and 2, is repealed.

4

6 **Sec. 10. 22 MRSA §396-D, sub-§9-A**, as amended by PL 1987, c.
769, Pt. A, §66, is repealed.

8 **Sec. 11. 22 MRSA §396-D, sub-§11, ¶B**, as amended by PL 1989,
c. 588, Pt. A, §28, is further amended to read:

10

12 B. Adjustments made for a payment year for working capital,
and management support ~~and--those--new--regulatory--costs~~
~~specified--in--subsection--9,--paragraph--C,--subparagraphs--(1)~~
14 ~~and--(2),--shall~~ are not be considered part of base year or
16 payment year financial requirements for purposes of
18 computing payment year financial requirements pursuant to
section 396-C for a subsequent payment year. ~~The--payment~~
~~year--or--years--to--which--an--adjustment--for--an--exception~~
~~request--applies--shall--be--determined--in--accordance--with~~
20 ~~subsection--12,--paragraph--C.~~

22 **Sec. 12. 22 MRSA §396-D, sub-§12**, as amended by PL 1991, c.
84, §2, is repealed.

24

26 **Sec. 13. 22 MRSA §396-F, sub-§3**, as amended by PL 1993, c.
733, §1, is further amended to read:

28 **3. Differentials.** The commission shall provide for revenue
deductions that reflect differentials established and approved
30 pursuant to section 396-G, except that prompt payment
differentials approved pursuant to section 396-G, subsection 1 3,
32 paragraph C B do not qualify for revenue deductions. In
calculating revenue deductions to reflect differentials under the
34 Medicare program, the commission shall exclude from its
determination the following amounts:

36

38 A. Any amounts that the commission finds have been paid by
the Medicare program for the following activities, to the
40 extent that the activities have been approved under section
396-R or 396-S, unless any costs of the activities have been
42 added to a hospital's financial requirements:

42

44 (1) The expansion of a family practice residency
program after June 30, 1992;

46 (2) The provision of spaces in a residency program in
48 internal medicine, pediatrics or obstetrics and
gynecology, in any given year, for the number of
50 first-year residents that is greater than the number of
first-year residents in that program at the same
hospital prior to June 30, 1992; and

COMMITTEE AMENDMENT "A" to H.P. 269, L.D. 371

2 (3) The establishment or expansion of an emergency
4 physician residency program after June 30, 1993; and

6 B. Any amounts that the commission finds have reasonably
8 been expended by a hospital in a reasonable appeal of a
10 reimbursement decision made by the Medicare program. In
12 order to allow hospitals to recover the full amount expended
14 to secure increases or avoid decreases in Medicare
16 reimbursement by pursuing appeals, the commission shall
18 exclude from revenue deduction calculations for each payment
20 year a total amount of Medicare payments equal to the total
22 reasonably expended by the hospital on successful appeals in
the most recent year for which data is available. In
determining this adjustment, the commission shall take into
account the amount of attorney's fees included in the
hospital's base year budget. For purposes of this
paragraph, "appeal" refers to any process of review of a
Medicare reimbursement decision, formal or informal,
conducted by a fiscal intermediary, government office,
administrative agency or review board or by a court of law.

24 **Sec. 14. 22 MRSA §396-G, sub-§1**, as enacted by PL 1983, c.
579, §10, is repealed.

26 **Sec. 15. 22 MRSA §396-G, sub-§6**, as amended by PL 1993, c.
28 673, §1 and affected by §10, is repealed.

30 **Sec. 16. 22 MRSA §396-O, first ¶**, as enacted by PL 1983, c.
579, §10, is amended to read:

32 The Except during the next 3 payment years beginning on or
34 after October 1, 1995, the commission may, with the written
36 agreement of any directly affected hospital, 3rd-party payor or
38 purchaser, implement experimental or demonstration projects
40 designed to assess methods of establishing revenue limits or
42 payment methodologies other than those established generally
44 under this chapter. The commission shall consult with
appropriate advisory committees prior to initiating any
experimental or demonstration project and shall include the
results of any project as part of its annual report. These
experimental or demonstration projects may include, but need are
not be limited to, the following:

46 **Sec. 17. 22 MRSA §398, first ¶**, as enacted by PL 1983, c. 579,
§10, is amended to read:

48 In During the next 3 payment years beginning on or after
50 October 1, 1995, the commission may not require compliance with
revenue limits calculated in accordance with this chapter. For

COMMITTEE AMENDMENT "A" to H.P. 269, L.D. 371

2 all other time periods, in establishing procedures for the
determination of revenue limits and interim adjustments, the
4 commission shall provide for the following.

6 **Sec. 18. Allocation.** The following funds are allocated from
Other Special Revenue to carry out the purposes of this Act.

8 **1995-96** **1996-97**

10 **MAINE HEALTH CARE FINANCE**
12 **COMMISSION**

14 **Health Care Finance Commission**

16 Positions - Other Count (-1.0) (-1.0)
Personal Services (\$39,180) (\$51,202)

18 Deallocates funds due to the
20 elimination of one Counsel
position and one Legal
22 Secretary position and to
establish one Paralegal
24 position due to the
suspension of hospital
26 revenue limits and changes in
financial data reporting
requirements.'

28 Further amend the bill by inserting at the end before the
30 statement of fact the following:

32 **FISCAL NOTE**

34 **1995-96** **1996-97**

36 **APPROPRIATIONS/ALLOCATIONS**

38 Other Funds (\$39,180) (\$51,202)

40 **REVENUES**

42 Other Funds (\$39,180) (\$51,202)

44 This bill provides Other Special Revenue deallocations of
46 \$39,180 and \$51,202 in fiscal years 1995-96 and 1996-97,
48 respectively, due to the suspension of hospital revenue limits
and changes in financial data reporting requirements. Dedicated
50 revenue from the assessment on hospitals is also reduced by the
same amounts.'

2

STATEMENT OF FACT

4

This amendment is the majority report. It suspends the imposition of revenue limits by the Maine Health Care Finance Commission for overcharges or undercharges during the next 3 years beginning October 1, 1995. It simplifies filing requirements for hospitals.

10

This amendment also adds an allocation section and a fiscal note to the bill.

12