

# 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)



# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

---

Legislative Document

No. 744

H.P. 548

House of Representatives, March 7, 1995

**An Act to Apply the Hospital Cooperation Act of 1992 to a Broader  
Range of Health Care and Social Service Agencies.**

---

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

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative FITZPATRICK of Durham.  
Cosponsored by Representatives: AULT of Wayne, BRENNAN of Portland, ETNIER of  
Harpwell, JOYNER of Hollis, MITCHELL of Portland, Senators: BEGLEY of Lincoln,  
FAIRCLOTH of Penobscot, PINGREE of Knox.

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

2  
4       **Sec. 1. 22 MRSA §1882, sub-§1**, as enacted by PL 1991, c. 814, §1, is amended to read:

6       **1. Cooperative agreement.** "Cooperative agreement" means an agreement among 2 or more hospitals or nonprofit health care providers for the sharing, allocation or referral of patients, personnel, instructional programs, treatment programs, counseling services, support services and facilities or medical, diagnostic or laboratory facilities or procedures or other services traditionally offered by hospitals or nonprofit health care providers.

14       **Sec. 2. 22 MRSA §1882, sub-§3** is enacted to read:

16       **3. Nonprofit health care provider.** "Nonprofit health care provider" means a corporation organized under the Maine Nonprofit Corporation Act or an organization recognized as exempt from federal income tax under 26 United States Code, Section 501(c)(3) and that provides medical or medically related diagnostic or therapeutic services, mental health services, substance abuse services, family counseling and domestic abuse intervention services or engages in ancillary activities supporting those services.

26       **Sec. 3. 22 MRSA §1883, sub-§1**, as enacted by PL 1991, c. 814, §1, is amended to read:

30       **1. Authority.** A hospital or health care provider may negotiate and enter into cooperative agreements with other hospitals or health care providers in the State if the likely benefits resulting from the agreements outweigh any disadvantages attributable to a reduction in competition that may result from the agreements.

36       **Sec. 4. 22 MRSA §1883, sub-§4, ¶¶A and B**, as enacted by PL 1991, c. 814, §1, are amended to read:

40       A. In evaluating the potential benefits of a cooperative agreement, the department shall consider whether one or more of the following benefits may result from the cooperative agreement:

44               (1) Enhancement of the quality of hospital and hospital-related or health care provider care or related care provided to Maine citizens;

2 (2) Preservation of hospital or health care provider  
and related facilities in geographical proximity to the  
communities traditionally served by those facilities;

4 (3) Gains in the cost efficiency of services provided  
6 by the hospitals or health care providers involved;

8 (4) Improvements in the utilization of hospital or  
10 health care provider resources and equipment; and

12 (5) Avoidance of duplication of hospital or health  
care resources.

14 B. The department's evaluation of any disadvantages  
attributable to any reduction in competition likely to  
16 result from the agreement may include, but need not be  
limited to, the following factors:

18 (1) The extent of any likely adverse impact on the  
20 ability of health maintenance organizations, preferred  
provider organizations, managed health care service  
22 agents or other health care payors to negotiate optimal  
payment and service arrangements with hospitals,  
24 physicians, allied health care professionals or other  
health care providers;

26 (2) The extent of any reduction in competition among  
28 physicians, allied health professionals, other health  
care providers or other persons furnishing goods or  
30 services to, or in competition with, hospitals or  
health care providers that is likely to result directly  
32 or indirectly from the hospital cooperative agreement;

34 (3) The extent of any likely adverse impact on  
patients or clients in the quality, availability and  
36 price of health care services; and

38 (4) The availability of arrangements that are less  
restrictive to competition and achieve the same  
40 benefits or a more favorable balance of benefits over  
disadvantages attributable to any reduction in  
42 competition likely to result from the agreement.

44 **Sec. 5. 22 MRSA §1888**, as enacted by PL 1991, c. 814, §1, is  
amended to read:

46 **§1888. Review**

48 ~~The department may not accept any application under this~~  
50 ~~chapter after June 30, 1995.~~ By January 1, 1995 1996, the

2 Attorney General and the department shall submit recommendations,  
3 along with any necessary legislation, to the joint standing  
4 committee of the Legislature having jurisdiction over human  
5 resources matters regarding whether this chapter should be  
6 amended.

## 8 STATEMENT OF FACT

10 This bill amends the Hospital Cooperation Act of 1992 to  
11 make it applicable to a broader range of health care and social  
12 service agencies.