

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 1256

H.P. 942

House of Representatives, February 28, 2001

**An Act to Adopt the Charitable Choice Provision in this State.**

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Reference to the Committee on Health and Human Services suggested and ordered printed.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

Presented by Representative MacDOUGALL of North Berwick.  
Cosponsored by Senator McALEVEY of York and  
Representatives: BOWLES of Sanford, CRESSEY of Baldwin, DAVIS of Falmouth,  
DUPREY of Hampden, FOSTER of Gray, GLYNN of South Portland, SNOWE-MELLO of  
Poland, TREADWELL of Carmel.

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

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**Sec. 1. 22 MRSA §3104, sub-§4**, as enacted by PL 1979, c. 386, is amended to read:

**4. Mail issuance of coupons.** The department shall institute a system of mail issuance of food stamp allotments through a direct coupon mailing system as authorized by and in conformity with regulations promulgated by the United States Department of Agriculture.

In those areas of the State where the department can document evidence of significant diminution of client demand or of loss of significant numbers of coupons, the department may, after notice and hearing, establish an alternative system of food stamp issuance, including contracting with faith-based organization as defined in Section 104 of the federal Personal Responsibilities and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 1120 Stat. 2105.

**Sec. 2. 22 MRSA §3173, last ¶**, as enacted by PL 1997, c. 676, §1, is amended to read:

The department may enter into contracts with health care servicing entities for the provision, financing, management and oversight of the delivery of health care services in order to carry out these programs. For the purposes of this section, "health care servicing entity" means a partnership, association, corporation, limited liability company, faith-based organization as defined in Section 104 of the federal Personal Responsibilities and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 110 Stat. 2105 42 USC 604a or other legal entity that enters into a contract to provide or arrange for the provision of a defined set of health care services; to assume responsibility for some aspects of quality assurance, utilization review, provider credentialing and provider relations or other related network management functions; and to assume financial risk for provision of such services to recipients through capitation reimbursement or other risk-sharing arrangements. "Health care servicing entity" does not include insurers or health maintenance organizations. In all contracts with health care servicing entities, the department shall include standards, developed in consultation with the Superintendent of Insurance, to be met by the contracting entity in the areas of financial solvency, quality assurance, utilization review, network sufficiency, access to services, network performance, complaint and grievance procedures and records maintenance. Prior to contracting with any health care servicing entity, the department must have in place a memorandum of understanding with the Superintendent of Insurance for the provision of technical

2 assistance, which must provide for the sharing of information  
3 between the department and the superintendent and the analysis of  
4 that information by the superintendent as it relates to the  
5 fiscal integrity of the contracting entity. The department may  
6 require periodic reporting by the health care servicing entity as  
7 to activities and operations of the entity, including the  
8 entity's activities undertaken pursuant to commercial contracts  
9 with licensed insurers and health maintenance organizations. The  
10 department may share with the Superintendent of Insurance all  
11 documents filed by the health care servicing entity, including  
12 documents subject to confidential treatment if that information  
13 is treated with the same degree of confidentiality as is required  
14 of the department.

15 **Sec. 3. 22 MRSA §3762, sub-§2, ¶¶J and K,** as enacted by PL  
16 1997, c. 530, Pt. A, §16, are amended to read:

17 J. The University of Maine System; and

18 K. Local service providers appropriate for TANF  
19 participants; and

20 **Sec. 4. 22 MRSA §3762, sub-§2, ¶L** is enacted to read:

21 L. Faith-based organizations that provide social services  
22 as defined in Section 104 of the federal Personal  
23 Responsibilities and Work Opportunity Reconciliation Act of  
24 1996, Public Law 104-193, 110 Stat. 2105, 42 USC 604a.

25 **Sec. 5. 22 MRSA §3782-A, sub-§2,** as repealed and replaced by  
26 PL 1993, c. 385, §17, is amended to read:

27 **2. Purchase of services.** The department may contract with  
28 public and private agencies and individuals, including  
29 faith-based organizations as defined in Section 104 of the  
30 federal Personal Responsibilities and Work Opportunity  
31 Reconciliation Act of 1996, Public Law 104-193, 110 Stat. 2105,  
32 42 USC 604a, to deliver employment, training and other services  
33 for program participants consistent with the purposes of the  
34 program.

35 Program funds may not be used to purchase services from an agency  
36 under this subsection that are available on a nonreimbursable  
37 basis, if those nonreimbursable services meet the needs of a  
38 program participant.

## 49 SUMMARY

50 This bill enacts into state law the charitable choice  
provisions of the federal Personal Responsibility and Work

2 Opportunity Reconciliation Act of 1996. This bill authorizes  
state agencies that provide social services to contract with  
3 faith-based organizations as defined in Section 104 of the  
4 federal Personal Responsibilities and Work Opportunity  
Reconciliation Act of 1996, Public Law 104-193, 110 Stat. 2105,  
5 42 USC 604a.