

# MAINE STATE LEGISLATURE

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M  
R 018.

L.D. 1277

DATE: 5-18-61

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MAJORITY  
BANKING AND INSURANCE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
120TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 964, L.D. 1277, Bill, "An Act to Establish a Single-payor Health Care System"

Amend the bill in section 2 in that part designated "\$6902." by inserting after subsection 3 the following:

'4. Legally domiciled. "Legally domiciled" has the same meaning as in Title 24-A, section 2736-C, subsection 1, paragraph C-1.'

Further amend the bill in section 2 in that part designated "\$6902." by striking out all of subsection 7 and inserting in its place the following:

'7. Resident. "Resident" has the same meaning as in Title 24-A, section 2736-C, subsection 1, paragraph C-2.'

Further amend the bill in section 2 in that part designated "\$6902." by renumbering the subsections to read consecutively.

Further amend the bill in section 2 in that part designated "\$6903." in subsection 1 in the 3rd line (page 2, line 11 in L.D.) by striking out the following: "19" and inserting in its place the following: '25'

Further amend the bill in section 2 in that part designated "\$6903." in subsection 1 by striking out all of paragraph A and inserting in their place the following:

COMMITTEE AMENDMENT

R. 018.

COMMITTEE AMENDMENT "A" to H.P. 964, L.D. 1277

2        'A.    The    Commissioner   of   Human   Services   or   the  
3        commissioner's designee;'

4        Further amend the bill in section 2 in that part designated  
5        "§6903." in subsection 1 by striking out all of paragraphs D to F  
6        and inserting in their place the following:

8        'D.    Two members of the House of Representatives appointed  
9        by the Speaker of the House of Representatives with  
10       preference to members of the joint standing committees of  
11       the Legislature having jurisdiction over health and human  
12       services matters and banking and insurance matters;

14       E.    Two members of the Senate appointed by the President of  
15       the Senate with preference to members of the joint standing  
16       committees of the Legislature having jurisdiction over  
17       health and human services matters and banking and insurance  
18       matters;

20       F.    A representative of each of the following, appointed by  
21       the Governor and confirmed by the Legislature:

22                (1)    A statewide organization that advocates universal  
23                health care;

26                (2)    A statewide organization that represents Maine  
27                senior citizens;

28                (3)    A statewide organization that defends the rights  
29                of children;

32                (4)    An organization that provides services to  
33                low-income clients;

34                (5)    A statewide labor organization;

36                (6)    An organization representing health care  
37                economists;

40                (7)    A statewide organization of primary care  
41                physicians;

42                (8)    A statewide organization of specialty care  
43                physicians;

46                (9)    A statewide organization of nurses;

48                (10)   A statewide organization of health care providers;

50                (11)   A statewide organization of hospitals;

2 (12) A statewide organization of long-term care  
3 facilities;

4 (13) The business community;

6 (14) A statewide organization of mental health  
7 consumers and advocates;

10 (15) A statewide organization that represents persons  
11 with disabilities; and

12 (16) An organization representing the self-employed;  
13 and

16 G. Two members of the public appointed by the Governor and  
17 confirmed by the Legislature.'

18 Further amend the bill in section 2 in that part designated  
19 "\$6903." by striking out all of subsection 2 and inserting in its  
20 place the following:

22 '2. Duties of board. The duties of the board include:  
23 implementing this chapter; promoting the purposes of the plan;  
24 setting reimbursement rates for participating providers; adopting  
25 rules necessary to implement the plan; establishing systems for  
26 enrollment, registration of providers for participation, rate  
27 setting and contracts with providers of services and  
28 pharmaceuticals; developing budgets with hospitals and  
29 institutional providers; administering the revenues of the plan;  
30 employing staff as necessary to implement this chapter;  
31 developing plans and funding for training and assistance for  
32 workers in the health care sector displaced by moving to a  
33 single-payor health care system; addressing the unique issues  
34 related to the delivery of a single-payor health care system  
35 among the State's border communities and the impact on health  
36 care practitioners, providers and residents of those communities;  
37 and conducting public hearings annually or more frequently  
38 regarding resource allocation, revenues and services. The board  
39 may choose to organize subcommittees of its members to carry out  
40 the duties described in this subsection, except that a  
41 subcommittee may not take any action without a final decision by  
42 the entire board. Any action or decision of the board must be  
43 made by majority vote.

46 The board shall stress prevention of disease and maintenance of  
47 health in the implementation of this plan and shall retain and  
48 strengthen existing health facilities whenever possible.'

## COMMITTEE AMENDMENT "A" to H.P. 964, L.D. 1277

Further amend the bill by inserting after section 3 the following:

**Sec. 4. Department of Human Services to apply for waiver.** By January 1, 2002, the Department of Human Services shall apply to the Federal Government for a waiver to permit operation of the Medicaid program in accordance with the requirements of the Maine Revised Statutes, Title 24-A, chapter 87. The department may adopt rules as necessary to implement the waiver in accordance with this section. Rules adopted pursuant to this section are major substantive rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter II-A.

**Sec. 5. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	2001-02	2002-03
<b>LEGISLATURE</b>		
<b>Legislature</b>		
Personal Services	\$880	\$880
All Other	800	800
Provides funds for the per diem and expenses of legislative members of the Health Security Board.		
<b>LEGISLATURE</b>		
<b>TOTAL</b>	<u>\$1,680</u>	<u>\$1,680</u>

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

Further amend the bill by inserting at the end before the summary the following:

**FISCAL NOTE**

	2001-02	2002-03
<b>APPROPRIATIONS/ALLOCATIONS</b>		
General Fund	\$1,680	\$1,680

This bill establishes a single-payor health care plan operated by a new independent agency, the Agency of Health Security. This bill also establishes the Health Security Board to adopt rules to implement the plan. The cost to both the Agency of Health Security and the Health Security Board to establish and administer a single-payor health care plan can not be determined at this time. The Bureau of Insurance within the Department of Professional and Financial Regulation has done an analysis that indicates that the total cost to implement a universal health care program in Maine could be in the vicinity of \$3.4 billion dollars annually.

The Legislature will require additional General Fund appropriations of \$1,680 annually beginning in fiscal year 2001-02 for the per diem and expenses of the legislative members of the Health Security Board.

The Bureau of Revenue Services and the Department of Human Services will incur some minor additional costs to participate as members of the board. These costs can be absorbed within the bureau's existing budgeted resources.

The bill requires that the funding for the Maine Health Care Plan Fund be provided from a combination of sources including the payment of taxes. The impact of this provision on Maine's current tax system or on General Fund undedicated revenue can not be determined at this time. Whether the net amount of revenue is sufficient to cover the cost of the plan can not be determined at this time.

The bill also has a number of additional fiscal impacts, including, but not limited to, the effect on the state employees' health insurance program, the Department of Human Services and the administrative and enforcement responsibilities of the Bureau of Revenue Services. These impacts can not be determined at this time.'

## SUMMARY

This amendment is the majority report of the Joint Standing Committee on Banking and Insurance. The amendment does the following:

1. It clarifies the definition of "resident" for the purposes of establishing eligibility for coverage under the Maine Single-payor Health Care Plan;

R/S

COMMITTEE AMENDMENT "A" to H.P. 964, L.D. 1277

2        2. It specifies that the Commissioner of Human Services or  
the commissioner's designee is a member of the Health Security  
Board;

4  
6        3. It adds 6 additional members to the Health Security  
Board, including 2 Legislators, a member representing mental  
health consumers, a member representing persons with  
8        disabilities, a physician and a public member;

10       4. It clarifies the duties of the Health Security Board;

12       5. It directs the Department of Human Services to apply for  
a waiver from the Federal Government to operate the Medicaid  
14       program in coordination with the Maine Single-payor Health Care  
Plan; and

16  
18       6. It adds an appropriation section and a fiscal note to  
the bill.

**COMMITTEE AMENDMENT**