

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1302

H.P. 978

House of Representatives, February 28, 2001

An Act to Enhance Access to Health Care in Maine.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Speaker SAXL of Portland.
Cosponsored by Senator MARTIN of Aroostook and
Representatives: COLWELL of Gardiner, DUDLEY of Portland, KANE of Saco, MAYO of
Bath, Senators: DAGGETT of Kennebec, President MICHAUD of Penobscot, TREAT of
Kennebec.

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

PART A

Sec. A-1. 22 MRSA §8701, as enacted by PL 1995, c. 653, Pt. A, §2 and affected by §7, is amended to read:

§8701. Declaration of purpose

It is the intent of the Legislature that uniform systems of reporting health care information be established; that all providers and payors who are required to file reports do so in a manner consistent with these systems; and that, using the least restrictive means practicable for the protection of privileged health care information, public access to those reports be ensured and health care information be provided to the department for the purposes of comprehensive health planning, in accordance with chapter 101.

Sec. A-2. 22 MRSA §8704, sub-§1, ¶F is enacted to read:

F. The organization shall make data available as requested by the department for the purposes of comprehensive health planning pursuant to section 253.

Sec. A-3. 22 MRSA §8704, sub-§12 is enacted to read:

12. Uniform billing forms. The board shall adopt rules establishing a uniform billing form for use by all health care providers. In establishing the uniform billing form the board shall consider the requirements of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the trend toward the electronic transfer of health care billing information. The rule must take effect July 1, 2002. Beginning with all services, procedures and products provided on July 1, 2002, to consumers of health care services, all health care providers must bill for services using and all 3rd-party payors must accept and issue payment based on the uniform billing form. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

Sec. A-4. Reinvestment of savings. Beginning on the effective date of the establishment of the uniform billing form adopted pursuant to the Maine Revised Statutes, Title 22, section 8704, subsection 12, any savings realized by the Department of Corrections, Department of Education, Department of Human Services and the Department of Mental Health, Mental Retardation and Substance Abuse Services, as a result of use of the uniform

2 billing form must be deposited into a dedicated fund established
to increase access to health care.

4 **Sec. A-5. Commission to Study the Challenges of Community
Nonprofit Hospitals**

6
8 **1. Commission established.** The Commission to Study the
Challenges of Community Nonprofit Hospitals, referred to in this
10 section as the "commission," is established for the following
purposes:

12 A. To study the roles of community nonprofit hospitals in
the 21st century, including their relationships with other
14 health care providers and their communities. The study must
include options for new community roles, including dental
16 care and flexibility in the use of hospital beds and
facilities;

18 B. To study funding mechanisms and levels, methods of
20 reimbursement, the role of insurance and 3rd-party payors
and the effect of unreimbursed care;

22 C. To study facility and equipment needs, financing options
24 and capital needs for the future;

26 D. To explore public policy regarding community nonprofit
hospitals and incentives and barriers to change. Public
28 policy questions to be considered must include access to
health care for consumers and the challenges of making
30 transitions to new community roles;

32 E. To make recommendations regarding public policy
initiatives to better define the roles of the community
34 nonprofit hospitals and to strengthen the hospitals and
equip them to serve the residents of the State through the
36 21st century; and

38 F. To study areas in which the hospitals may be able to
collaborate with other health care providers, particularly
40 rural and community health clinics, to improve the delivery
of health care and reduce duplication of effort among
42 providers.

44 **2. Membership.** The commission consists of 13 members, each
of whom must possess a strong interest or expertise in community
46 nonprofit hospitals.

48 A. The President of the Senate shall appoint:

2 (1) Three members of the Senate, at least one from
each of the 2 major political parties; and

4 (2) One person representing community nonprofit
6 hospitals, one person representing statewide
organizations of consumers of health care services and
8 one person representing insurers or other 3rd-party
payors of health care services.

10 B. The Speaker of the House of Representatives shall
12 appoint:

14 (1) Three members of the House, at least one of whom
must represent the minority party; and

16 (2) One person representing community nonprofit
18 hospitals, one person representing statewide
organizations of consumers of health care services and
20 one person representing insurers or other 3rd-party
payors of health care services.

22 C. The Commissioner of Human Services or a representative
24 of the commissioner is a member of the commission.

26 When making the appointments, the President of the Senate and the
Speaker of the House shall give preference to members from the
28 Joint Standing Committee on Health and Human Services.

30 **3. Appointments; chairs; convening of commission.** All
appointments must be made no later than 30 days following the
effective date of this section. The appointing authorities shall
32 notify the Executive Director of the Legislative Council once all
appointments have been made. The first named Senate member is
34 the Senate chair and the first named House of Representatives
member is the House chair. The first meeting must be called by
36 the chairs no later than September 30, 2001.

38 **4. Duties.** The commission shall consider the challenges of
community nonprofit hospitals and must be guided by the purposes
40 outlined in subsection 1. The commission may:

42 A. Hold public hearings to collect information from
individuals, hospitals, health care providers, insurers,
44 3rd-party payors, government-sponsored health care programs
and interested organizations;

46 B. Consult with experts in the fields of health care and
48 hospitals and public policy; and

2 C. Examine any other issues to further the purposes of the
study.

4 5. **Staff assistance.** Upon approval of the Legislative
6 Council, the Office of Policy and Legal Analysis shall provide
necessary staffing services to the commission.

8 6. **Compensation.** Members of the commission are entitled to
10 receive the legislative per diem as defined in the Maine Revised
12 Statutes, Title 3, section 2 and reimbursement for travel and
other necessary expenses for attendance at authorized meetings of
the commission.

14 7. **Report.** The commission shall submit a report and any
16 necessary implementing legislation to the Second Regular Session
of the 120th Legislature no later than November 15, 2001. If
18 the commission requires an extension of time to make its report,
it may apply to the Legislative Council, which may grant the
extension.

20 8. **Commission budget.** The chairs of the commission, with
22 assistance from the commission staff, shall administer the
commission budget. Within 10 days after its first meeting, the
24 commission shall present a work plan and proposed budget to the
Legislative Council for its approval. The commission may not
26 incur expenses that would result in the commission's exceeding
its approved budget. Upon request from the commission, the
28 Executive Director of the Legislative Council or the executive
director's designee shall provide the commission chairs and staff
30 with a status report on the commission budget, expenditures
incurred and paid and available funds.

32
34

PART B

36 **Sec. B-1. 22 MRSA §1, first ¶,** as amended by PL 1983, c. 409,
38 §1, is further amended to read:

40 The Department of Health and Human Services, as established
and in this Title called the "department" ~~shall-consist~~ consists
42 of such bureaus and divisions as may be required to carry out the
work of the department. The department ~~shall~~ must have an
official department seal, which ~~shall~~ must be judicially noticed.

44 **Sec. B-2. 22 MRSA §1, 2nd ¶,** as amended by PL 1993, c. 685,
46 Pt. B, §2, is further amended to read:

48 The department is under the control and supervision of the
Commissioner of Health and Human Services, referred to in this
50 Title as the "commissioner," who is appointed by the Governor,

2 subject to review by the joint standing committee of the
Legislature having jurisdiction over health and human resources
3 services matters and to confirmation by the Legislature, and
4 serves at the pleasure of the Governor.

6 **Sec. B-3. 22 MRSA §1, 3rd ¶**, as amended by PL 1995, c. 560,
Pt. J, §2, is further amended to read:

8
10 The commissioner may employ any bureau and division heads,
deputies, assistants and employees who may be necessary to carry
12 out the work of the department. All personnel of the department
are under the immediate supervision, direction and control of the
14 commissioner. These personnel are employed subject to the Civil
Service Law, except the Deputy Commissioner; Director, Bureau of
Child and Family Services; Director, Bureau of Elder and Adult
16 Services; Director, Bureau of Health; Director, Bureau of Family
Independence; Director, Bureau of Health and Medical Services;
18 Assistant Deputy Commissioners; and 3 Regional Executive Managers.

20 **Sec. B-4. Interpretation.** Until such time as the Legislature
enacts legislation to fully implement the change in name of the
22 Department of Human Services to "Department of Health and Human
Services," until such time as the department amends its rules and
24 any plans and program information on file with the Federal
Government and until such time as the department amends or alters
26 contracts and written obligations of the department, the words
"Department of Human Services" as they may appear in the Maine
28 Revised Statutes, in rules, plans and program information and in
contracts and written obligations of the department are deemed to
30 mean the Department of Health and Human Services, except for
references that clearly refer to the former Department of Human
32 Services.

34 **Sec. B-5. MaineCare program.** Effective January 1, 2002, the
name of the Medicaid program and the name of the Cub Care program
36 in this State are changed to "MaineCare program." Pending the
effective date and final changes to law, rule, plan and contract,
38 the Department of Human Services may use the name "MaineCare
program" in reference to the Medicaid program and the Cub Care
40 program.

42 **Sec. B-6. Interpretation.** Until such time as the Legislature
enacts legislation to fully implement the change in name of the
44 Medicaid program to "MaineCare program" and the change in name of
the CubCare program to "MaineCare program," until such time as
46 the department amends its rules and any plans and program
information on file with the Federal Government and until such
48 time as the department amends or alters contracts and written
obligations of the department, the words "Medicaid" and "Cub
50 Care" as they may appear in the Maine Revised Statutes, in

2 rules, plans and program information and in contracts and written
obligations of the department are deemed to mean the MaineCare
4 program, except for references that clearly refer to the former
Medicaid and Cub Care programs.

6 **Sec. B-7. Review and report.** The Revisor of Statutes shall
review amendments to the Maine Revised Statutes that are required
8 to fully implement the change in name of the Department of Human
Services to "Department of Health and Human Services," the change
10 in name of the Medicaid program to "MaineCare program" and the
change in name of the Cub Care program to "MaineCare program."
12 By January 10, 2002, the Revisor of Statutes shall report to the
Second Regular Session of the 120th Legislature the legislation
14 that is needed to bring the laws into conformity with the new
name of the department. The Joint Standing Committee on Health
16 and Human Services may report out a bill to the Second Regular
Session of the 120th Legislature to implement the recommendations
18 of the Revisor of Statutes.

20 **PART C**

22 **Sec. C-1. 22 MRSA §1718** is enacted to read:

24 **§1718. Electronic filing of claims**

26 By July 1, 2002, a person, facility or other entity licensed
28 to provide health care services to persons in this State shall
develop the ability to file claims for services by electronic
30 means. By July 1, 2003, each person, facility or entity shall
file at least 50% of all health care service claims by electronic
32 means.

34 **Sec. C-2. 24 MRSA §2332-E**, as enacted by PL 1993, c. 477, Pt.
D, §5 and affected by Pt. F, §1, is amended to read:

36 **§2332-E. Standardized claim forms**

38 ~~On or after December 1, 1993, all~~ All nonprofit hospital or
40 medical service organizations and nonprofit health care plans
providing payment or reimbursement for diagnosis or treatment of
42 a condition or a complaint by a licensed physician ~~or~~
chiropractor must or other person, facility or entity licensed to
44 provide health care services to persons in this State shall
accept the current standardized claim form approved by the
46 ~~Federal Government~~ Maine Health Data Organization pursuant to
Title 22, section 8704, subsection 12 and shall accept claims
48 filed by electronic means. ~~On or after December 1, 1993, all~~
~~nonprofit hospital or medical service organizations and nonprofit~~
50 ~~health care plans providing payment or reimbursement for~~

2 diagnosis--or--treatment--of--a--condition--or--a--complaint--by--a
licensed-hospital-must-accept-the-current-standardized-claim-form
approved-by-the-Federal-Government.

4
6 **Sec. C-3. 24-A MRSA §2753**, as enacted by PL 1993, c. 477,
Pt. D, §10 and affected by Pt. F, §1, is amended to read:

8 **§2753. Standardized claim forms**

10 ~~On-or-after-December-1,-1993,-insurers-providing-individual~~
12 ~~medical-expense-insurance-on-an-expense-incurred-basis~~ Insurers
14 providing payment or reimbursement for diagnosis or treatment of
a condition or a complaint by a licensed physician or,
16 chiropractor must or other person, facility or entity licensed to
18 provide health care services to persons in this State shall
accept the current standardized claim form approved by the
Federal-Government Maine Health Data Organization pursuant to
20 Title 22, section 8704, subsection 12 and shall accept claims
22 filed by electronic means. ~~On-or-after-December-1,-1993,-all~~
24 ~~insurers-providing-individual-medical-expense-insurance-on-an~~
expense-incurred-basis-providing-payment-or-reimbursement-for
diagnosis--or--treatment--of--a--condition--or--a--complaint--by--a
licensed-hospital-must-accept-the-current-standardized-claim-form
approved-by-the-Federal-Government.

26 **Sec. C-4. 24-A MRSA §2823-B**, as enacted by PL 1993, c. 477,
Pt. D, §11 and affected by Pt. F, §1, is amended to read:

28 **§2823-B. Standardized claim forms**

30 ~~On-or-after-December-1,-1993,-all~~ All insurers providing
32 ~~group-medical-expense-insurance-on-an-expense-incurred-basis~~
providing payment or reimbursement for diagnosis or treatment of
34 a condition or a complaint by a licensed physician or,
chiropractor must or other person, facility or entity licensed to
36 provide health care services to persons in this State shall
accept the current standardized claim form approved by the
Federal-Government Maine Health Data Organization pursuant to
38 Title 22, section 8704, subsection 12 and shall accept claims
40 filed by electronic means. ~~On-or-after-December-1,-1993,-all~~
42 ~~insurers-providing-group-medical-expense-insurance-on-an~~
44 ~~expense-incurred-basis-providing-payment-or-reimbursement-for~~
diagnosis--or--treatment--of--a--condition--or--a--complaint--by--a
licensed-hospital-must-accept-the-current-standardized-claim-form
approved-by-the-Federal-Government.

46
48 **Sec. C-5. 24-A MRSA §4235**, as enacted by PL 1993, c. 477,
Pt. D, §12 and affected by Pt. F, §1, is amended to read:

50 **§4235. Standardized claim forms**

2 or policy guidelines for procedures that are to be carried out.
3 The dentist need not be present when the procedures are being
4 performed. A written plan for referral or an agreement for
5 follow-up must be provided by the dental hygienist, recording all
6 conditions that should be brought to the attention of the
7 dentist. A summary report once a year must be reviewed by the
8 supervising dentist.

10 SUMMARY

12 This bill contains a number of provisions to enhance access
13 to health care and update the laws covering the Department of
14 Human Services and the Maine Health Data Organization. The bill
15 also does the following.

16 1. It requires the Maine Health Data Organization to make
17 its data available to the Department of Human Services for
18 comprehensive health planning.

19 2. It requires the Maine Health Data Organization to adopt
20 rules for the use of a uniform billing form to be effective July
21 1, 2002.

22 3. It requires any savings realized as a result of using
23 the uniform billing form by the Department of Corrections, the
24 Department of Education, the Department of Human Services and the
25 Department of Mental Health, Mental Retardation and Substance
26 Abuse Services to be deposited in a dedicated fund established to
27 increase access to health care.

28 4. It establishes the Commission to Study the Challenges of
29 Community Nonprofit Hospitals to study and make recommendations
30 on the roles of community nonprofit hospitals through the 21st
31 century.

32 5. It changes the name of the Department of Human Services
33 to "Department of Health and Human Services" and changes the name
34 of the Bureau of Medical Services to "Bureau of Health and
35 Medical Services." The bill contains transition language pending
36 full amendment to state laws, federal plans and program
37 information and departmental contracts and written obligations.

38 6. It changes the names of the Medicaid and Cub Care
39 programs to "MaineCare program" effective January 1, 2002. The
40 bill contains transition language pending full amendment to state
41 laws, federal plans and program information and departmental
42 contracts and written obligations.

2 7. It requires providers of health care services to develop
3 the ability to file claims electronically for their services by
4 July 1, 2002 and requires 50% of all claims to be filed
5 electronically by July 1, 2003. It requires insurance carriers,
6 nonprofit hospital and medical service organizations and health
7 maintenance organizations to accept claims filed electronically
8 and requires those entities to provide technical assistance to
9 providers regarding electronic claims filing from October 1, 2001
10 to September 1, 2002.

11 8. It allows dental hygienists to practice dental hygiene
12 under the general supervision of a dentist in public health
13 settings. "Public health setting" is defined as a public or
14 private school, hospital, clinic, nursing facility or other
15 institution or health care facility or nontraditional practice
16 setting.