

MAINE STATE LEGISLATURE

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RWS

L.D. 1303

DATE: 6-18-01

(Filing No. H-726)

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

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 979,
L.D. 1303, Bill, "An Act to Increase Access to Health Care"

Amend the amendment in Part A by striking out all of section 1 (page 1, lines 28 to 38 in amendment) and inserting in its place the following:

'Sec. A-1. 22 MRSA §254, sub-§1, ¶C is enacted to read:

C. The department shall provide drugs and medications for cancer at a level and in a manner determined by the department to be of the highest possible benefit to program recipients.'

Further amend the amendment in Part A by striking out all of section 6 and inserting in its place the following:

'Sec. A-6. 22 MRSA §§3174-AA and 3174-BB are enacted to read:

§3174-AA. Asset limits

In determining eligibility for medical assistance under the Medicaid program for all individuals and families subject to an asset test, the department shall exempt from consideration all assets exempt pursuant to program rule on January 1, 2001 and shall adopt rules to exempt from consideration certain assets in amounts and under terms the department determines to be reasonable and consistent with the purposes of the Medicaid program as provided in this section. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A. The rules must provide exemptions for the following assets:

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2 1. Second vehicle. A 2nd vehicle that is necessary for
employment, to secure medical treatment or to provide
4 transportation for essential daily activities or a vehicle that
has been modified for operation by or the transportation of a
6 person with a disability;

8 2. Certain retirement savings. An individual retirement
account, self-employed plan, tax sheltered annuity or Keogh or
10 comparable retirement account of an adult family member;

12 3. Life insurance. Life insurance policies covering a
family member;

14 4. Educational savings plans. Educational savings plans or
accounts reserved exclusively for educational purposes, including
16 postsecondary education, for a child or an adult; and

18 5. Savings. An amount up to \$8,000 for an individual and
20 up to \$12,000 for a household of more than one person.

22 **§3174-BB. Enrollment periods**

24 The department shall establish enrollment periods for
medical assistance as provided in this section. Prior to the end
26 of the enrollment period, the department shall determine
continuing eligibility for the next enrollment period and notify
28 the enrollee of the determination.

30 1. Children. In the Medicaid program and the Cub Care
program under section 3174-T, the enrollment period for children
32 under 19 years of age must be 12 months.

34 2. Adults. In the Medicaid program, the enrollment period
must be the longest period allowed by federal law or regulation
36 but may not exceed 12 months.'

38 Further amend the amendment in Part A by striking out all of
section 7 (page 4, lines 38 to 47 in amendment) and inserting in
40 its place the following:

42 'Sec. A-7. Waiver. The Department of Human Services shall
amend the waiver application from the State that is pending
44 before the federal Department of Health and Human Services Health
Care Financing Administration. The amended waiver must provide
46 for maximum access to all prescription drugs covered by the
Medicaid program, including drugs for the treatment of cancer.'

48 Further amend the amendment in Part A by striking out all of
50 sections 8 and 9 and inserting in their place the following:

2

6

8

10

14

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38

44

46

48

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2 program pursuant to the Maine
Revised Statutes, Title 22,
4 section 254, subsection 1,
paragraph C.

6 Bureau of Health

8 All Other 10,000 10,000

10 Provides funds to match
available federal funding to
12 promote the delivery of
health care in rural areas of
14 the State.

16 Bureau of Medical Services

18	Positions - Legislative Count	(2.000)	(6.000)
	Personal Services	66,027	221,334
20	All Other	94,854	100,896
22	TOTAL	160,881	322,230

24 Provides funds for one
Comprehensive Health Planner
26 II position and one Health
Services Consultant position
28 in fiscal year 2001-02 and
one Comprehensive Health
30 Planner II position, one
Health Services Consultant
32 position, one Social Services
Program Specialist position,
34 one Senior Medical Claims
Adjuster position, one
36 Management Analyst position
and one Programmer Analyst
38 position in fiscal year
2002-03 and related operating
40 costs associated with
expanding the access to the
42 Medicaid program.

44 Bureau of Family Independence

46	Positions - Legislative Count	(3.000)	(17.000)
	Personal Services	84,551	635,510
48	All Other	22,875	125,250
50	TOTAL	107,426	760,760

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2 Provides funds for 3 Family
Independence Specialist
4 positions in fiscal year
2001-02 and 11 Family
6 Independence Specialist
positions, 2 Human Services
8 Aide positions, one Family
Independence Unit Supervisor
10 position and 3 Clerk Typist
III positions in fiscal year
12 2002-03 and related operating
costs associated with
14 expanding the access to the
Medicaid program.

16

18 **DEPARTMENT OF HUMAN SERVICES**
TOTAL

\$3,926,641 \$10,940,255

20 **Sec. A-9. Allocation.** The following funds are allocated from
the Federal Expenditures Fund to carry out the purposes of this
22 Part.

24

2001-02

2002-03

26

HUMAN SERVICES, DEPARTMENT OF

28

**Medical Care - Payments to
Providers**

30

All Other

\$8,752,448

32

34 Provides funds for the
federal match for Medicaid
coverage to noncategorically
36 eligible adults with income
up to 125% of federal nonfarm
38 poverty levels.

40

**Medical Care - Payments to
Providers**

42

All Other

\$1,743,197

2,865,309

44

46 Provides funds for the
federal match to increase the
income eligibility for
48 children in the Cub Care
program from 200% to 250% of

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2 federal nonfarm poverty
levels.

4 **Medical Care - Payments to
Providers**

6 All Other 408,620 589,432

8 Provides funds for the
10 federal match due to changes
in the asset test used to
12 determine eligibility for
medical assistance under the
14 Medicaid program.

16 **Bureau of Medical Services**

18 Positions - Legislative Count (2.000) (5.000)
Personal Services 66,027 221,334
20 All Other 94,854 100,896
22 TOTAL 160,881 322,230

24 Provides funds for one Social
Services Program Manager
26 position and one Senior
Medical Claims Adjuster
28 position in fiscal year
2001-02 and one Social
30 Services Program Manager
position, one Senior Medical
32 Claims Adjuster position, one
Medical Claims Adjuster
34 position, one Medical Claims
Evaluator position and one
36 Planning and Research
Associate position in fiscal
38 year 2002-03 and related
operating costs associated
40 with expanding the access to
the Medicaid program.

42 **Bureau of Family Independence**

44 Positions - Legislative Count (3.000) (16.000)
46 Personal Services 84,551 635,510
All Other 22,875 125,250
48 TOTAL 107,426 760,760

50

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2 Provides funds for 3 Family
Independence Specialist
4 positions in fiscal year
2001-02 and 11 Family
Independence Specialist
6 positions, one Human Services
Aide position, 2 Family
8 Independence Unit Supervisor
positions and 2 Clerk Typist
10 III positions in fiscal year
2002-03 and related operating
12 costs associated with
expanding the access to the
14 Medicaid program.

16 DEPARTMENT OF HUMAN SERVICES
TOTAL

\$2,420,124 \$13,290,179'

18
Further amend the amendment in Part B in section 1 by
20 striking out all of the first 2 lines (page 10, lines 2 and 4 in
amendment) and inserting in their place the following:

22
'Sec. B-1. 22 MRSA §259 is enacted to read:

24
§259. Support for primary and preventive health care services'

26
Further amend the amendment in Part B in section 1 in that
28 part designated "§258." in subsection 1 in the 4th line (page 10,
line 13 in amendment) by striking out the following:
30 "\$1,700,000" and inserting in its place the following:
'\$1,300,000'

32
Further amend the amendment in Part B in section 1 in that
34 part designated "§258." in subsection 1 in paragraph B in the
first line (page 10, line 22 in amendment) by striking out the
36 following: "Three hundred seventy-five thousand dollars" and
inserting in its place the following: 'Two hundred thousand
38 dollars'

40
Further amend the amendment in Part B in section 1 in that
42 part designated "§258." in subsection 1 in paragraph C in the
first line (page 10, line 28 in amendment) by striking out the
44 following: "Eight hundred seventy-five thousand dollars" and
inserting in its place the following: 'Seven hundred ninety
thousand dollars'

46
Further amend the amendment in Part B in section 1 in that
48 part designated "§258." in subsection 1 in paragraph D in the
first line (page 10, line 33 in amendment) by striking out the
50 following: "Three hundred thousand dollars" and inserting in its
place the following: 'One hundred sixty thousand dollars'

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Further amend the amendment in Part B in section 1 in that part designated "**§258.**" by striking out all of subsection 2 (page 10, lines 37 to 50 and page 11, lines 1 to 13 in amendment) and inserting in its place the following:

'2. Supports for certain community-based, nonprofit entities. In fiscal year 2002-03 and annually thereafter, \$200,000 must be appropriated to maintain and expand access to health care through programs that are community-based, nonprofit rural health clinics that provide primary care services to underserved populations regardless of the ability of the patient to pay and that utilize a sliding fee scale for patients with family income below 200% of the federal nonfarm income official poverty line. The department shall determine which rural health clinics will be provided funding and the amount of such funding.'

Further amend the amendment in Part B by inserting after section 1 the following:

'Sec. B-2. 22 MRSA §3192 is enacted to read:

§3192. Affordable Health Care Fund

The Affordable Health Care Fund is established to assist individuals with the costs of participation in community health access programs. The fund is a nonlapsing fund and any excess funds may be used only for the purposes of this section. The fund may be used only to subsidize the costs of community health access programs' fees. The department shall establish subsidies on a sliding scale based on income for eligible individuals enrolled in community health access programs. Individuals eligible for health coverage under the Medicaid or Medicare program are not eligible to receive a subsidy from this fund.'

Further amend the amendment in Part B by striking out all of sections 2 and 3 and inserting in their place the following:

'Sec. B-2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Part.

	2001-02	2002-03
--	---------	---------

**HUMAN SERVICES,
DEPARTMENT OF**

**Bureau of Medical
Services**

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2	All Other	\$150,000	\$150,000
4	Provides funds to contract		
6	for Medicaid outstationing		
8	services at federally		
	qualified health centers and		
	federally qualified		
	look-alikes.		
10	Medical Care - Payments to		
	Providers		
12			
14	All Other	200,000	200,000
16	Provides funds to improve the		
18	quality of services and		
20	enhance the delivery of		
22	services at federally		
	qualified health centers and		
	federally qualified		
	look-alikes.		
	Bureau of Health		
24			
26	All Other	790,000	790,000
28	Provides funds to support the		
30	primary care infrastructure		
32	of federally qualified health		
	centers providing health care		
	services to underserved		
	populations.		
34	Bureau of Health		
36			
38	All Other	160,000	160,000
40	Provides funds to support the		
42	infrastructure of federally		
	qualified look-alikes that		
	meet standards set by the		
	Department of Human Services.		
44	Bureau of Health		
46			
48	All Other		200,000
50	Provides funds to maintain		
	and expand access to health		
	care programs that are		

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community-based, nonprofit
rural health clinics that
provide primary care services
to underserved populations
regardless of the ability to
pay and that utilize a
sliding fee scale for
patients with families below
200% of federal poverty
levels. The Department of
Human Services shall
determine which rural health
clinics will be provided
funding and the amount of
such funding.

Affordable Health Care Fund

All Other 100,000

Provides funds to establish
the Affordable Health Care
Fund to provide subsidies for
individuals enrolled in
community health access
programs.

**DEPARTMENT OF HUMAN
SERVICES**

TOTAL \$1,400,000 \$1,500,000

Sec. B-3. Allocation. The following funds are allocated from
the Federal Expenditures Fund to carry out the purposes of this
Part.

2001-02 2002-03

**HUMAN SERVICES,
DEPARTMENT OF**

**Bureau of Medical
Services**

All Other \$150,000 \$150,000

Provides funds for the
federal match to contract for
Medicaid outstationing
services at federally
qualified health centers and

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federally qualified
look-alikes.

**Medical Care - Payments to
Providers**

All Other 396,392 398,444

Provides funds for the
federal match to improve the
quality of services and
enhance the delivery of
services at federally
qualified health centers and
federally qualified
look-alikes.

**DEPARTMENT OF HUMAN SERVICES
TOTAL**

\$546,392 \$548,444

Further amend the amendment in Part C in section 2 in the
13th line (page 14, line 43 in amendment) by striking out the
following: "may" and inserting in its place the following:
'shall'

Further amend the amendment in Part C by striking out all of
sections 4 and 5 and inserting in their place the following:

Sec. C-4. Appropriation. The following funds are
appropriated from the General Fund to carry out the purposes of
this Part.

2001-02

HUMAN SERVICES, DEPARTMENT OF

Bureau of Medical Services

All Other \$50,000

Provides funds for the waiver
design and actuarial
rate-setting costs associated
with applying for a waiver to
provide Medicaid coverage to
self-employed persons and
sole proprietors and members
of their immediate families
whose family income is less
than 300% of federal poverty

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levels on a buy-in basis and
to study and report on the
feasibility of extending
health coverage benefits to
those for whom commercial
coverage is not reasonably
available.

Bureau of Medical Services

All Other 49,500

Provides funds to change the
name of all Medicaid and Cub
Care programs to the
MaineCare program.

DEPARTMENT OF HUMAN SERVICES TOTAL

\$99,500

Sec. C-5. Allocation. The following funds are allocated from
the Federal Expenditures Fund to carry out the purposes of this
Part.

2001-02

HUMAN SERVICES, DEPARTMENT OF

Bureau of Medical Services

All Other \$50,000

Provides funds for the
federal match for the waiver
design and actuarial
rate-setting costs associated
with applying for a waiver to
provide Medicaid coverage to
self-employed persons and
sole proprietors and members
of their immediate families
whose family income is less
than 300% of federal poverty
levels on a buy-in basis and
to study and report on the
feasibility of extending
health coverage benefits to
those for whom commercial
coverage is not reasonably
available.

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2 **Bureau of Medical Services**

4 All Other 49,500

6 Provides funds for the
8 federal match to change the
10 name of all Medicaid and Cub
Care programs to the
MaineCare program.

12 **DEPARTMENT OF HUMAN SERVICES**
14 **TOTAL**

\$99,500'

16 Further amend the amendment by inserting after Part C the
following:

18 **PART D**

20 **Sec. D-1. 36 MRSA §4366-D** is enacted to read:

22 **§4366-D. Additional cigarette tax**

24 **1. Additional tax imposed.** Beginning November 1, 2001, an
26 additional tax is imposed of 8 mills for each cigarette imported
into this State or held for sale in this State by any person.
28 The tax imposed under this section must be added to the tax
imposed under section 4365 and collected and administered in the
same manner as the tax under that section.

30
32 **2. Transition.** The State Tax Assessor shall adopt rules to
ensure that cigarettes sold or held for resale, including sales
34 through vending machines, on November 1, 2001 are stamped at the
combined tax rate applicable under section 4365 and this
36 section. The rules must specify a due date for payment of tax
due under this subsection. Rules adopted pursuant to this
38 section are routine technical rules as defined in Title 5,
chapter 375, subchapter II-A.

40
42 **PART E**

44 **Sec. E-1. 22 MRSA §260** is enacted to read:

46 **§260. Maine Health Access Fund**

48 There is established the Maine Health Access Fund, referred
to in this section as the "fund," as a dedicated fund to provide
50 expanded access to health care.

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1. Transfers to fund. The State Controller shall transfer to the fund such money as authorized by law. The fund may also receive funds from other sources that are designated for the fund. Interest earned on fund balances and investment income on balances in the fund accrue to the fund.

2. Nonlapsing. Any unexpended balances in the fund may not lapse but must be carried forward.

3. Restriction. Allocations from the fund must be used to supplement and not supplant appropriations from the General Fund.

4. Disposition of excess funds. By June 1, 2002, the commissioner shall determine the balance in the fund. After considering the balance and the projected expenses and income of the fund for fiscal year 2002-03, the commissioner shall distribute any excess balance up to an amount necessary to provide a total of \$875,000 in fiscal year 2002-03 for the purposes set forth in section 259, subsection 1, paragraph C.

Sec. E-2. Transfer of funds. Any unexpended amounts from the General Fund appropriations in this Act must be transferred by the State Controller to the Maine Health Access Fund.'

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

FISCAL NOTE

	2001-02	2002-03
APPROPRIATIONS/ALLOCATIONS		
General Fund	\$5,426,141	\$12,440,255
Other Funds	3,066,016	13,838,623

REVENUES

General Fund	\$5,376,641	\$12,486,333
Other Funds	3,063,306	13,837,889

This amendment increases the tax on cigarettes to fund the expansion of access to health care. This amendment also makes adjustments to the appropriation and allocation sections of the bill, resulting in a decrease in the General Fund appropriations in the bill by \$2,484,810 in fiscal year 2001-02 and \$3,564,970 in fiscal year 2002-03.

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The increase in the cigarette tax effective November 1, 2001 will increase General Fund revenue by \$5,427,080 in fiscal year 2001-02 and \$12,500,000 in fiscal year 2002-03. This change will also decrease sales tax collections by \$53,149 in fiscal year 2001-02 and \$14,401 in fiscal year 2002-03. The decrease of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$2,710 and \$734, respectively. The resulting net decrease of General Fund revenue will be \$50,439 in fiscal year 2001-02 and \$13,667 in fiscal year 2002-03. This revenue estimate assumes that the Governor's supplemental "Part II" budget will include an increase in the cigarette tax. If the Governor's supplemental budget does not include a cigarette tax increase, the revenue generated by this bill will increase.

As amended, this bill decreases the General Fund cost of the bill that relates to the increases in the income eligibility for children in the Cub Care program from 200% to 250% of federal poverty levels by \$229,210 and \$375,134 in fiscal year 2001-02 and fiscal year 2002-03, respectively. As amended, this bill increases the matching Federal Expenditures Fund allocations by \$229,210 and \$375,134 in these same years.

As amended, this bill decreases the General Fund cost of the bill by \$633,667 and \$909,351 in fiscal year 2001-02 and fiscal year 2002-03, respectively, by removing the provision of the bill that allows persons with disabilities, whose combined income is at or below 250% of federal nonfarm poverty levels, to purchase coverage in the Medicaid program. As amended, this bill decreases the matching Federal Expenditures Fund allocations by \$1,255,901 and \$1,811,627 in these same years.

As amended, this bill decreases the General Fund cost of the bill that relates to adding cancer as a disease category covered by the basic component of the elderly low-cost drug program by \$1,121,933 and \$1,384,407 in fiscal year 2001-02 and fiscal year 2002-03, respectively, by replacing the requirement with a provision that allows the Department of Human Services to provide drugs and medications for cancer in a manner that is determined to be of the highest possible benefit.

As amended, this bill decreases the General Fund cost of the bill that relates to staffing and related operating costs for the Bureau of Family Independence within the Department of Human Services associated with expanding access to the Medicaid program by \$46,078 in fiscal year 2002-03. As amended, this bill also decreases the matching Federal Expenditures Fund allocation by \$46,078 in the same year.

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As amended, this bill decreases the General Fund cost of the bill by \$150,000 and \$150,000 in fiscal year 2001-02 and fiscal year 2002-03, respectively, by removing the provision of the bill that funded school-based dental health screenings and dental sealants.

As amended, this bill decreases the General Fund cost of the bill that relates to improving the quality of services and enhancing the delivery of services at federally qualified health centers and federally qualified look-alikes by \$175,000 and \$175,000 in fiscal year 2001-02 and fiscal year 2002-03, respectively. As amended, this bill also decreases the matching Federal Expenditures Fund allocations by \$346,843 and \$348,639 in these same years.

As amended, this bill decreases the General Fund cost of the bill that relates to supporting the primary care infrastructure of federally qualified health centers providing health care services to underserved populations by \$85,000 in fiscal year 2001-02 and \$85,000 in fiscal year 2002-03.

As amended, this bill decreases the General Fund cost of the bill that relates to supporting the infrastructure of federally qualified look-alikes that meet standards set by the Department of Human Services by \$140,000 in fiscal year 2001-02 and \$140,000 in fiscal year 2002-03.

As amended, this bill decreases the General Fund cost of the bill by \$300,000 in fiscal year 2002-03 by removing the provision that maintains and expands access to health care through programs that are community-based, nonprofit entities that provide primary care services to underserved populations regardless of the ability to pay and that utilize a sliding fee scale for patients with families below 200% of federal poverty guidelines.

As amended, this bill increases the General Fund cost of the bill by \$100,000 in fiscal year 2001-02 by providing funds to establish the Affordable Health Care Fund within the Department of Human Services to provide subsidies for individuals enrolled in community health access programs.

As amended, this bill decreases the General Fund cost of the bill that relates to the Department of Human Services applying for a federal waiver to provide Medicaid coverage for self-employed and sole proprietors and members of their families whose family income is less than 300% of federal poverty levels by \$50,000 in fiscal year 2001-02. As amended, this bill also decreases matching Federal Expenditures Fund allocations by \$50,000 in the same year.

SUMMARY

This amendment raises the cigarette tax to by 8 mills effective November 1, 2001 to fund the costs of the bill. This amendment creates the Affordable Health Care Fund to assist individuals with the costs of participation in community health access programs. The amendment also adjusts some of the figures in the various appropriations and allocations. It establishes the Maine Health Access Fund to receive funds from the tobacco tax increase and to allocate those funds to health care expansion initiatives.

SPONSORED BY: Bonnie Green
(Representative GREEN)

TOWN: Monmouth