

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 716

S.P. 254

In Senate, February 14, 2003

**An Act To Continue Necessary State Funding of Freestanding,
Nonprofit Psychiatric Hospitals for Services Provided to Indigent
Patients and for Other Purposes**

(EMERGENCY)

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MARTIN of Aroostook.
Cosponsored by Senators: CATHCART of Penobscot, President DAGGETT of Kennebec,
Representatives: DUDLEY of Portland, KANE of Saco, RICHARDSON of Brunswick.

2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4 Whereas, this legislation requires reimbursement for
6 services provided by nonprofit psychiatric hospitals to indigent
patients; and

8 Whereas, without this reimbursement, the ability to provide
10 services to mentally ill indigent persons will be severely
hampered; and

12 Whereas, in the judgment of the Legislature, these facts
14 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
16 necessary for the preservation of the public peace, health and
safety; now, therefore,

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

20 **Sec. 1. Carrying balance; Medical Care - Payments to Providers.**

22 Notwithstanding any other provision of law, the Department of
Human Services shall reimburse the State's 2 freestanding,
24 nonprofit psychiatric hospitals for services provided to indigent
patients when these expenses can not be reimbursed by the
26 Medicaid or Medicaid Disproportionate Share programs in fiscal
years 2002-03 from the carrying balance on June 30, 2003 in the
28 Medical Care - Payments to Providers General Fund account in the
Department of Human Services in an amount of at least \$5,000,000
30 but no more than \$10,000,000.

32 **Sec. 2. Pursuit of federal funding for disproportionate share shortfall
for institutes for mental disease.**

34 The Commissioner of Human Services and the Commissioner of Behavioral and Developmental Services
shall continue to work with the State's 2 freestanding, nonprofit
36 psychiatric hospitals to advocate for the elimination of the
federal cap on disproportionate share hospital funds that are
38 available for institutes for mental disease, or for other federal
reforms that would ensure adequate federal funding for the
40 population served by these hospitals. The commissioners shall
report their progress to the Joint Standing Committee on
42 Appropriations and Financial Affairs no later than February 15,
2004.

44 **Sec. 3. Appropriations and allocations.** The following
46 appropriations and allocations are made.

48 **BEHAVIORAL AND DEVELOPMENT SERVICES,
DEPARTMENT OF**

50

2 **Mental Health Services - Community 0121**

4 Initiative: Provides funds as required by the Maine Revised
6 Statutes, Title 34-B, section 3610, to provide safety net crisis
and intermediate services at nonstate mental health institutions.

8 General Fund	2003-04	2004-05
All Other	\$13,000,000	\$18,000,000
10 General Fund Total	<u>\$13,000,000</u>	<u>\$18,000,000</u>

12 **Emergency clause.** In view of the emergency cited in the
14 preamble, this Act takes effect when approved.

16 **SUMMARY**

18 This bill provides necessary funding to reimburse the
20 State's 2 freestanding, nonprofit psychiatric hospitals for
services provided to indigent patients when these expenses can
22 not be reimbursed by the Medicaid or Medicaid Disproportionate
Share programs. The bill also provides funds to meet shortfalls
24 projected at Augusta Mental Health Institute and Bangor Mental
Health Institute. Of the \$18,000,000 sought for fiscal year
26 2003-04, \$10,000,000 is projected to be needed for the 2
freestanding, nonprofit psychiatric hospitals and \$8,000,000 is
needed for AMHI and BMHI. The figures are based on preliminary
28 estimates of the Department of Human Services.

30 The bill also requires on the Commissioner of Human Services
and the Commissioner of Behavioral and Developmental Services to
32 continue to work with these hospitals to advocate for the
elimination of the federal cap on disproportionate share funds
34 that are available for institutes for mental disease, or for
other federal reforms that would ensure adequate federal funding
36 for the population served by these hospitals. Similar provisions
for prior fiscal years were enacted in Public Law 2001, chapter
38 559, Part X, sections 9 and 10.

40 Finally, in the event that there are not sufficient carrying
balances available for reimbursing the nonprofit psychiatric
42 hospitals, the bill provides funding to these hospitals to
deliver so-called "safety net services" to people with major
44 mental illness who the Department of Behavioral and Developmental
Services determines can not otherwise be served by the local
46 service networks. This funding and treatment obligation of the
Department of Behavioral and Developmental Services is set forth
48 in statute.