

# MAINE STATE LEGISLATURE

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L.D. 1919

DATE: 4/16/4

(Filing No. H-951)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
121ST LEGISLATURE  
SECOND SPECIAL SESSION

HOUSE AMENDMENT "Y" to COMMITTEE AMENDMENT "A" to H.P. 1420, L.D. 1919, Bill, "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2004 and June 30, 2005"

Amend the amendment in Part D by striking out all of section 1 (page 107, lines 1 to 17 in amendment) and inserting in its place the following:

Sec. D-1. 36 MRSA §4062, sub-§1-A, ¶A-1 is enacted to read:

A-1. For the estates of decedents dying on or after January 1, 2005, "federal credit" means the maximum credit for state death taxes determined under the Code, Section 2011 as of December 31, 2002 exclusive of: the reduction of the maximum credit contained in the Code, Section 2011(b)(2); the period of limitations under the Code, Section 2011(c); and the termination provision contained in the Code, Section 2011(f). The adjusted taxable estate is to be determined using the applicable section of the Code as of the date of the decedent's death, except that the state death tax deduction contained in the Code, Section 2058 is to be disregarded. The unified credit is the applicable credit amount determined under the Code, Section 2010 as of December 31, 2003.'

Further amend the amendment in Part BB by striking out all of section 3 (page 175, lines 36 to 40 in amendment)

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2 Further amend the amendment by striking out all of Parts OO  
and PP.

4 Further amend the amendment in Part UU by striking out all  
of sections 2 to 4 (page 210, lines 31 to 50 and page 211, lines  
6 2 to 14 in amendment)

8 Further amend the amendment in Part MMM in section 1 in that  
part designated "~~§3174-FF.~~" in subsection 3 by striking out all  
10 of paragraph C (page 241, lines 46 to 49 in amendment) and  
inserting in its place the following:

12 'C. A member is eligible for psychological services  
14 benefits for individual and group counseling.'

16 Further amend the amendment in Part MMM in section 1 in that  
part designated "~~§3174-FF.~~" in subsection 3 by striking out all  
18 of paragraph F (page 242, lines 38 to 51 in amendment) and  
inserting in its place the following:

20 'F. A member is eligible for benefits for chiropractic  
22 services provided by a chiropractor licensed under Title 32.'

24 Further amend the amendment by inserting after Part EEEE and  
before the emergency clause the following:

26  
28 **'PART FFFF**

30 **Sec. FFFF-1. 5 MRSA §285, sub-§2,** as amended by PL 1991, c.  
780, Pt. Y, §23, is further amended to read:

32  
34 **2. Coverage.** Each supplemental state employee to whom this  
section applies is eligible for a group health plan as provided  
36 in Title 24-A, sections 2802 to 2812, ~~--including--major--medical~~  
~~benefits~~ or through a self-funded alternative. The provisions of  
38 the group insurance policy or policies or the self-funded  
alternative must be determined, insofar as the provisions are not  
40 inconsistent with terms and conditions contained in collective  
bargaining agreements negotiated pursuant to Title 26, chapter  
42 9-B, by the State Employee Health Commission as provided in  
section 285-A. The master policy for the group health plan must  
44 be held by the Commissioner of Administrative and Financial  
Services.

46 **Sec. FFFF-2. 5 MRSA §285, sub-§2-A** is enacted to read:

48 2-A. Primary group health coverage. Each state employee  
and retiree to whom this section applies is eligible and shall  
50 receive primary group health coverage through Dirigo Health

2 Insurance as provided in Title 24-A, chapter 87. Notwithstanding  
4 any other provision of this section, coverage for state employees  
6 and retirees under this subsection must be financed through the  
8 Dirigo Health Fund pursuant to Title 24-A, section 6915.

6 **Sec. FFFF-3. 5 MRSA §285, sub-§7-A** is enacted to read:

8 **7-A. Health savings accounts.** The State shall establish a  
10 health savings account as authorized under federal law for each  
12 eligible employee and retiree. The State may contribute funds to  
14 health savings accounts, insofar as the provisions are not  
16 inconsistent with terms and conditions contained in collective  
18 bargaining agreements negotiated pursuant to Title 26, chapter  
20 9-B. For each eligible retiree who is participating in the group  
22 health plan on the effective date of this subsection, the State  
24 shall make a one-time contribution of \$1,000 to a health savings  
26 account.

20 **Sec. FFFF-4. 22 MRSA §3174-DD**, as enacted by PL 2003, c.  
22 469, Pt. A, §6, is amended to read:

22 **§3174-DD. Dirigo Health coverage**

24 The department may ~~shall~~ contract with one or more health  
26 insurance carriers to purchase Dirigo Health Insurance for  
28 MaineCare members ~~who seek to enroll through their employers~~  
30 ~~pursuant to Title 24-A, section 6910, subsection 4, paragraph B.~~  
32 A MaineCare member who enrolls in a Dirigo Health Insurance plan  
34 as ~~a member of an employer group~~ receives full MaineCare benefits  
through Dirigo Health Insurance. The benefits are delivered  
through the ~~employer-based health plan~~ Dirigo Health Insurance,  
subject to nominal cost sharing as permitted by 42 United States  
Code, Section 1396o(2003) and additional coverage provided under  
contract by the department.

36 **Sec. FFFF-5. 22 MRSA §3174-V, sub-§2**, as amended by PL 2003,  
38 c. 469, Pt. A, §7, is further amended to read:

40 **2. Contracted services.** When a federally qualified health  
42 center otherwise meeting the requirements of subsection 1  
44 contracts with ~~a managed-care plan or~~ Dirigo Health Insurance for  
46 the provision of MaineCare services, the department shall  
reimburse that center the difference between the payment received  
by the center from ~~the managed-care plan or~~ Dirigo Health  
Insurance and 100% of the reasonable cost, reduced by the total  
copayments for which members are responsible, incurred in  
providing services within the scope of service approved by the  
federal Health Resources and Services Administration or the  
commissioner. Any such ~~managed-care~~ contract must provide  
payments for the services of a center that are not less than the

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2 level and amount of payment that ~~the managed care plan of~~ Dirigo  
Health Insurance would make for services provided by an entity  
not defined as a federally qualified health center.

4  
6 **Sec. FFFF-6. 24-A MRSA §6902**, as enacted by PL 2003, c. 469,  
Pt. A, §8, is amended to read:

8 **§6902. Dirigo Health established; declaration necessity**

10 Dirigo Health is established as an independent executive  
agency to arrange for the provision of comprehensive, affordable  
12 health care coverage to eligible ~~small employers, including the~~  
~~self-employed, their employees and dependents, and individuals on~~  
14 a voluntary basis residents of this State. Dirigo Health is also  
responsible for monitoring and improving the quality of health  
16 care in this State. The exercise by Dirigo Health of the powers  
conferred by this chapter must be deemed and held to be the  
18 performance of essential governmental functions.

20 **Sec. FFFF-7. 24-A MRSA §6903, sub-§§5, 6 and 7**, as enacted by  
PL 2003, c. 469, Pt. A, §8, are repealed.

22 **Sec. FFFF-8. 24-A MRSA §6903, sub-§7-A** is enacted to read:

24 **7-A. Eligible individual.** "Eligible individual" means an  
26 individual who is a resident of this State.

28 **Sec. FFFF-9. 24-A MRSA §6903, sub-§§8 and 12**, as enacted by PL  
2003, c. 469, Pt. A, §8, are repealed.

30 **Sec. FFFF-10. 24-A MRSA §6903, sub-§13**, as enacted by PL  
32 2003, c. 469, Pt. A, §8, is amended to read:

34 **13. Plan enrollee.** "Plan enrollee" means an eligible  
individual ~~or eligible employee~~ who enrolls in Dirigo Health  
36 Insurance through Dirigo Health. "Plan enrollee" includes an  
eligible ~~employee~~ individual who is eligible to enroll in  
38 MaineCare and an eligible state employee and retiree pursuant to  
Title 5, section 285.

40 **Sec. FFFF-11. 24-A MRSA §6903, sub-§19**, as enacted by PL  
42 2003, c. 469, Pt. A, §8, is repealed.

44 **Sec. FFFF-12. 24-A MRSA §6908, sub-§1, ¶A**, as enacted by PL  
2003, c. 469, Pt. A, §8, is amended to read:

46 A. Take any legal actions necessary or proper ~~to recover or~~  
48 ~~collect savings offset payments due Dirigo Health or~~ that  
are necessary for the proper administration of Dirigo Health;

50

2           **Sec. FFFF-13. 24-A MRSA §6908, sub-§2, ¶B,** as enacted by PL  
2003, c. 469, Pt. A, §8, is repealed.

4           **Sec. FFFF-14. 24-A MRSA §6908, sub-§2, ¶E,** as enacted by PL  
2003, c. 469, Pt. A, §8, is amended to read:

6  
8           E. Arrange the provision of Dirigo Health Insurance benefit  
coverage to eligible individuals ~~and eligible employees, to~~  
10           ~~eligible state employees and retirees and to eligible~~  
MaineCare members through contracts with one or more  
12           qualified bidders;

14           **Sec. FFFF-15. 24-A MRSA §6910, sub-§1,** as enacted by PL 2003,  
c. 469, Pt. A, §8, is amended to read:

16           **1. Dirigo Health Insurance.** Dirigo Health shall arrange  
for the provision of health benefits coverage through Dirigo  
18           Health Insurance not later than ~~October 1, 2004~~ January 1, 2005.  
Dirigo Health Insurance must comply with all relevant  
20           requirements of this Title. Dirigo Health Insurance may be  
offered by health insurance carriers that apply to the board and  
22           meet qualifications described in this section and any additional  
qualifications set by the board.

24           **Sec. FFFF-16. 24-A MRSA §6910, sub-§3, ¶A,** as enacted by PL  
26           2003, c. 469, Pt. A, §8, is amended to read:

28           A. Provide the comprehensive health services and benefits  
as determined by the board, including a standard benefit  
30           package that ~~meets the requirements for mandated coverage~~  
~~for specific health services, specific diseases and for~~  
32           ~~certain providers of health services under Title 24 and this~~  
Title is compatible with an individual health savings  
34           account as authorized under federal law and any supplemental  
benefits the board wishes to make available; and

36           **Sec. FFFF-17. 24-A MRSA §6910, sub-§4, ¶A,** as enacted by PL  
38           2003, c. 469, Pt. A, §8, is amended to read:

40           A. Dirigo Health may contract with health insurance  
carriers licensed to sell health insurance in this State or  
42           other private or public ~~third-party~~ 3rd-party administrators  
to provide Dirigo Health Insurance. In addition:

44           (1) Dirigo Health shall issue requests for proposals  
46           from health insurance carriers;

48           (2) Dirigo Health may include quality improvement,  
disease prevention, disease management and  
50           cost-containment provisions in the contracts with

2 participating health insurance carriers or may arrange  
3 for the provision of such services through contracts  
4 with other entities;

6 ~~(3) -- Dirigo Health shall require participating health  
7 insurance carriers to offer a benefit plan identical to  
8 Dirigo Health Insurance, for which no Dirigo Health  
9 subsidies are available, in the general small-group  
10 market;~~

12 (4) Dirigo Health shall make payments to participating  
13 health insurance carriers under a Dirigo Health  
14 Insurance contract to provide Dirigo Health Insurance  
15 benefits to plan enrollees not enrolled in MaineCare;

16 (5) Dirigo Health may set allowable rates for  
17 administration and underwriting gains for Dirigo Health  
18 Insurance;

20 ~~(6) -- Dirigo Health may administer continuation benefits  
21 for eligible individuals from employers with 20 or more  
22 employees who have purchased health insurance coverage  
23 through Dirigo Health for the duration of their  
24 eligibility periods for continuation benefits pursuant  
25 to the federal Consolidated Omnibus Budget  
26 Reconciliation Act, Public Law 99-272, Title X, Private  
27 Health Insurance Coverage, Sections 1001 to 1003, and~~

28 (7) Dirigo Health may administer or contract to  
29 administer the United States Internal Revenue Code of  
30 1986, Section 125 plans for ~~employers and employees~~  
31 individuals participating in Dirigo Health, including  
32 medical expense reimbursement accounts and dependent  
33 care reimbursement accounts; and

34 (8) Dirigo Health shall administer or contract to  
35 administer individual health savings accounts for  
36 individuals participating in Dirigo Health.

37 **Sec. FFFF-18. 24-A MRSA §6910, sub-§4, ¶¶B and C,** as enacted  
38 by PL 2003, c. 469, Pt. A, §8, are repealed.

39 **Sec. FFFF-19. 24-A MRSA §6910, sub-§4, ¶D** is enacted to read:

40 D. Dirigo Health may not establish an out-of-pocket  
41 maximum, including deductibles, copayments and coinsurance,  
42 that exceeds 10% of an individual's adjusted gross income.

2           **Sec. FFFF-20. 24-A MRSA §6910, sub-§5, ¶¶A and B,** as enacted  
by PL 2003, c. 469, Pt. A, §8, are amended to read:

4           A. Dirigo Health shall publicize the availability of Dirigo  
Health Insurance to ~~businesses,--self-employed~~ individuals  
6           and ~~others~~ eligible to enroll in Dirigo Health Insurance.

8           B. Dirigo Health shall screen all eligible individuals and  
employees for eligibility for ~~subsidies under section 6912~~  
10           and ~~eligibility~~ enrollee hardship funds under section 6912-A  
for MaineCare. To facilitate the screening and referral  
12           process, Dirigo Health shall provide a single application  
form for Dirigo Health and MaineCare. The application  
14           materials must inform applicants of subsidies available  
through Dirigo Health and of the additional coverage  
16           available through MaineCare. It must allow an applicant to  
choose on the application form to apply or not to apply for  
18           MaineCare or for a ~~subsidy~~ enrollee hardship funds. It must  
allow an applicant to provide household financial  
20           information necessary to determine eligibility for MaineCare  
or a ~~subsidy~~ enrollee hardship funds. Except when the  
22           applicant has declined to apply for MaineCare or a ~~subsidy~~  
enrollee hardship funds, an application must be treated as  
24           an application for Dirigo Health, for a ~~subsidy~~ enrollee  
hardship funds and for MaineCare. MaineCare must make the  
26           final determination of eligibility for MaineCare.

28           **Sec. FFFF-21. 24-A MRSA §6910, sub-§7** is enacted to read:

30           7. Coordination with Medicaid. Dirigo Health shall  
maximize the use of federal funds available through the Medicaid  
32           program to provide health care coverage to all individuals  
enrolled in Dirigo Health Insurance who are or could become  
34           eligible for Medicaid pursuant to 42 United States Code, Section  
1396a(r)(2), 1396u-1 or 1397bb. For enrollees and dependents  
36           eligible for Medicaid, health services provided by Medicaid must  
continue to be provided in coordination with health services  
38           covered under Dirigo Health Insurance. The Department of Human  
Services shall apply for any necessary federal Medicaid waivers  
40           to provide health care coverage through Dirigo Health Insurance  
under this section.

42           **Sec. FFFF-22. 24-A MRSA §6912,** as enacted by PL 2003, c.  
44           469, Pt. A, §8, is repealed.

46           **Sec. FFFF-23. 24-A MRSA §6912-A** is enacted to read:

48           §6912-A. Enrollee Hardship Fund



2 Dirigo Health may establish an Enrollee Hardship Fund to  
3 provide financial assistance to eligible individuals for whom the  
4 payment of the out-of-pocket maximum, including required  
5 deductibles, copayments and coinsurance, is a hardship based on  
6 income. Dirigo Health shall adopt rules for income eligibility  
7 of eligible individuals, the amount of the financial assistance  
8 available and the application process for individuals.

10 **Sec. FFFF-24. 24-A MRSA §6913**, as enacted by PL 2003, c.  
11 469, Pt. A, §8, is repealed.

12 **Sec. FFFF-25. 24-A MRSA §§6914 and 6915**, as enacted by PL  
13 2003, c. 469, Pt. A, §8, are amended to read:

14 **§6914. Intragovernmental transfer**

16  
17 Starting July 1, 2004, Dirigo Health shall transfer funds,  
18 as necessary, to a special dedicated, nonlapsing revenue account  
19 administered by the agency of State Government that administers  
20 MaineCare for the purpose of providing a state match for federal  
21 Medicaid dollars. Dirigo Health shall annually set the amount of  
22 contribution. ~~The transfer may not include money collected as a~~  
23 ~~savings-payment-offset-pursuant-to-section-6913.~~

24 **§6915. Dirigo Health Fund**

26  
27 The Dirigo Health Fund is created as to finance coverage  
28 under Dirigo Health. The fund is a dedicated fund for the  
29 deposit of any funds advanced for initial operating expenses,  
30 payments made by employers and individuals, any savings-offset  
31 payments made pursuant to section 6913 funds received from the  
32 State Tax Assessor pursuant to Title 36, section 2831 and any  
33 funds received from any public or private source. The fund may  
34 not lapse, but must be carried forward to carry out the purposes  
35 of this chapter. Expenditures from the fund are authorized for  
36 payments to participating carriers for Dirigo Health Insurance,  
37 payments for the administration of Dirigo Health and payments  
38 from the Enrollee Hardship Fund created under section 6912-A.

40 **Sec. FFFF-26. 36 MRSA c. 370-A** is enacted to read:

42 **CHAPTER 370-A**

44 **INDIVIDUAL HEALTH ASSESSMENT**

46 **§2831. Assessment on wages and earnings**

48 **1. Assessment levied.** Beginning January 1, 2005, every  
49 resident individual in this State, and every nonresident  
50 individual subject to Maine income tax liability under this

2 Title, shall pay an assessment of 5% on that individual's  
3 adjusted gross income up to \$150,000 and an assessment of 1% on  
4 that portion of adjusted gross income that exceeds \$150,000.

5 2. Payment of assessment; returns. Every individual subject  
6 to the assessment imposed by this section shall, on or before  
7 April 15th, file with the assessor on forms prescribed by the  
8 assessor a return for the prior calendar year. At the time of  
9 filing such a return, each individual shall pay to the assessor  
10 the amount of assessment shown due.

11 3. Dirigo Health Fund. The assessor shall pay taxes  
12 collected under this section to the Dirigo Health Fund  
13 established in Title 24-A, section 6915.

14 **Sec. FFFF-27. Calculation and transfer; Dirigo Health Fund.**  
15 Notwithstanding any other provision of law, the State Budget  
16 Officer shall calculate the amount of savings in section 2 that  
17 applies against each General Fund account for all departments and  
18 agencies from savings realized as a result of transferring  
19 responsibility for funding the state costs of the state employee  
20 health plan and the MaineCare program from General Fund  
21 appropriations to Other Special Revenue funds transferred from  
22 the Dirigo Health Fund. The State Budget Officer shall transfer  
23 the calculated amounts by financial order upon the approval of  
24 the Governor. These transfers are considered adjustments to  
25 appropriations in fiscal year 2004-05. The State Budget Officer  
26 shall provide the joint standing committee of the Legislature  
27 having jurisdiction over appropriations and financial affairs a  
28 report of the transferred amounts and the Other Special Revenue  
29 funds received as a result of these efforts no later than January  
30 15, 2005.  
31

32 **Sec. FFFF-28. Appropriations and allocations.** The following  
33 appropriations and allocations are made.

34 **ADMINISTRATIVE AND FINANCIAL**  
35 **SERVICES, DEPARTMENT OF**

36 **Departments and Agencies - Statewide 0016**

37 Initiative: Deappropriates and allocates funds to reflect the  
38 inclusion of the state employee health plan in the Dirigo Health  
39 Fund.

40

41 <b>General Fund</b>	42 <b>2003-04</b>	43 <b>2004-05</b>
44 All Other	\$0	(\$28,584,063)
45 General Fund Total	\$0	(\$28,584,063)

46  
47  
48  
49  
50

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2	<b>Other Special Revenue Funds</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	\$0	\$28,584,063
4	Other Special Revenue Funds Total	<hr/>	<hr/>
		\$0	\$28,584,063
6	<b>ADMINISTRATIVE AND FINANCIAL</b>		
	<b>SERVICES, DEPARTMENT OF</b>		
8	<b>DEPARTMENT TOTALS</b>	<b>2003-04</b>	<b>2004-05</b>
10	<b>GENERAL FUND</b>	<b>\$0</b>	<b>(\$28,584,063)</b>
12	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>0</b>	<b>28,584,063</b>
14	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<hr/>	<hr/>
		\$0	\$0
16	<b>BEHAVIORAL AND DEVELOPMENTAL</b>		
	<b>SERVICES, DEPARTMENT OF</b>		
18	<b>Medicaid Services - Mental Retardation 0705</b>		
20	Initiative: Deappropriates and allocates funds to reflect the		
	inclusion of the MaineCare program in the Dirigo Health Fund.		
22			
24	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	\$0	(\$7,892,207)
26	General Fund Total	<hr/>	<hr/>
		\$0	(\$7,892,207)
28	<b>Other Special Revenue Funds</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	\$0	\$7,892,207
30	Other Special Revenue Funds Total	<hr/>	<hr/>
		\$0	\$7,892,207
32			
34	<b>Mental Health Services - Child Medicaid 0731</b>		
36	Initiative: Deappropriates and allocates funds to reflect the		
	inclusion of the MaineCare program in the Dirigo Health Fund.		
38	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	\$0	(\$14,877,953)
40	General Fund Total	<hr/>	<hr/>
		\$0	(\$14,877,953)
42	<b>Other Special Revenue Funds</b>	<b>2003-04</b>	<b>2004-05</b>
44	All Other	\$0	\$14,877,953
46	Other Special Revenue Funds Total	<hr/>	<hr/>
		\$0	\$14,877,953
48	<b>Mental Health Services - Community Medicaid 0732</b>		

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2 Initiative: Deappropriates and allocates funds to reflect the  
inclusion of the MaineCare program in the Dirigo Health Fund.

4	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	\$0	(\$17,105,285)
6			
	General Fund Total	\$0	(\$17,105,285)
8			
	<b>Other Special Revenue Funds</b>	<b>2003-04</b>	<b>2004-05</b>
10	All Other	\$0	\$17,105,285
12			
	Other Special Revenue Funds Total	\$0	\$17,105,285

14 **Mental Retardation Waiver - MaineCare 0987**

16 Initiative: Deappropriates and allocates funds to reflect the  
inclusion of the MaineCare program in the Dirigo Health Fund.

18	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
20	All Other	\$0	(\$34,089,351)
22			
	General Fund Total	\$0	(\$34,089,351)
24			
	<b>Other Special Revenue Funds</b>	<b>2003-04</b>	<b>2004-05</b>
26	All Other	\$0	\$34,089,351
28			
	Other Special Revenue Funds Total	\$0	\$34,089,351

30 **Office of Substance Abuse - Medicaid Seed**

32 Initiative: Deappropriates and allocates funds to reflect the  
inclusion of the MaineCare program in the Dirigo Health Fund.

34	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	\$0	(\$798,116)
36			
	General Fund Total	\$0	(\$798,116)
38			
	<b>Other Special Revenue Funds</b>	<b>2003-04</b>	<b>2004-05</b>
40	All Other	\$0	\$798,116
42			
	Other Special Revenue Funds Total	\$0	\$798,116

44 **BEHAVIORAL AND DEVELOPMENTAL  
SERVICES, DEPARTMENT OF**

46	<b>DEPARTMENT TOTALS</b>	<b>2003-04</b>	<b>2004-05</b>
48	<b>GENERAL FUND</b>	<b>\$0</b>	<b>(\$74,762,911)</b>
50	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>0</b>	<b>74,762,911</b>

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2	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$0</b>
4	<b>HUMAN SERVICES, DEPARTMENT OF</b>		
6	<b>Medical Care - Payments to Providers 0147</b>		
8	Initiative: Deappropriates and allocates funds to reflect the inclusion of the MaineCare program in the Dirigo Health Fund.		
10	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
12	All Other	\$0	(\$168,993,925)
14	General Fund Total	<hr/>	<hr/>
14		\$0	(\$168,993,925)
16	<b>Other Special Revenue Funds</b>	<b>2003-04</b>	<b>2004-05</b>
16	All Other	\$0	\$168,993,925
18	Other Special Revenue Funds Total	<hr/>	<hr/>
18		\$0	\$168,993,925
20	<b>Nursing Facilities 0148</b>		
22	Initiative: Deappropriates and allocates funds to reflect the inclusion of the MaineCare program in the Dirigo Health Fund.		
24	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
26	All Other	\$0	(\$31,742,102)
28	General Fund Total	<hr/>	<hr/>
28		\$0	(\$31,742,102)
30	<b>Other Special Revenue Funds</b>	<b>2003-04</b>	<b>2004-05</b>
32	All Other	\$0	\$31,742,102
34	Other Special Revenue Funds Total	<hr/>	<hr/>
34		\$0	\$31,742,102
36	<b>HUMAN SERVICES, DEPARTMENT OF</b>		
36	<b>DEPARTMENT TOTALS</b>	<b>2003-04</b>	<b>2004-05</b>
38	<b>GENERAL FUND</b>	<b>\$0</b>	<b>(\$200,736,027)</b>
40	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>0</b>	<b>200,736,027</b>
42	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<hr/>	<hr/>
42		<b>\$0</b>	<b>\$0</b>
44	<b>SECTION TOTALS</b>	<b>2003-04</b>	<b>2004-05</b>
44	<b>GENERAL FUND</b>	<b>\$0</b>	<b>(\$304,083,001)</b>
46	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>0</b>	<b>304,083,001</b>
48	<b>SECTION TOTAL - ALL FUNDS</b>	<hr/>	<hr/>
48		<b>\$0</b>	<b>\$0</b>

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**PART GGGG**

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**Sec. GGGG-1. 24 MRSA §2327**, as amended by PL 2003, c. 469, Pt. E, §1, is further amended to read:

**§2327. Group rates**

A group health care contract may not be issued by a nonprofit hospital or medical service organization in this State until a copy of the group rates to be used in calculating the premium for these contracts has been filed for informational purposes with the superintendent. The filing must include the base rates and a description of any procedures to be used to adjust the base rates to reflect factors including but not limited to age, gender, health status, claims experience, group size and coverage of dependents. Notwithstanding this section, rates for group Medicare supplement, nursing home care or long-term care contracts and for certain group contracts included within the definition of individual health plan in Title 24-A, section 2736-C, subsection 1, paragraph C must be filed in accordance with section 2321 and ~~rates for small group health plans as defined by Title 24-A, section 2808-B must be filed in accordance with that section.~~

**Sec. GGGG-2. 24-A MRSA §2736, sub-§3, ¶B**, as amended by PL 2003, c. 469, Pt. E, §9, is further amended to read:

B. The insurer must demonstrate in accordance with generally accepted actuarial principles and practices consistently applied that, as of a date no more than 210 days prior to the filing, the ratios of benefits incurred to premiums earned for those products average no less than 80% for the previous 12-month period. ~~For the purposes of this calculation, any savings offset payments paid pursuant to section 6913 must be treated as incurred claims.~~

**Sec. GGGG-3. 24-A MRSA §2736, sub-§4, ¶C**, as amended by PL 2003, c. 469, Pt. E, §10, is further amended to read:

C. In any hearing conducted under this subsection, the Bureau of Insurance and any party asserting that the rates are excessive have the burden of establishing that the rates are excessive. The burden of proving that rates are adequate, and not unfairly discriminatory ~~and in compliance with the requirements of section 6913~~ remains with the insurer.

**Sec. GGGG-4. 24-A MRSA §2736-A, first ¶**, as amended by PL 2003, c. 469, Pt. E, §11, is further amended to read:

2 If at any time the superintendent has reason to believe that  
a filing does not meet the requirements that rates not be  
excessive, inadequate, or unfairly discriminatory ~~or not in~~  
4 ~~compliance with section 6913~~ or that the filing violates any of  
the provisions of chapter 23, the superintendent shall cause a  
6 hearing to be held.

8 **Sec. GGGG-5. 24-A MRSA §2736-C, sub-§2, ¶D**, as amended by PL  
2001, c. 410, Pt. A, §2 and affected by §10, is repealed.

10 **Sec. GGGG-6. 24-A MRSA §2736-C, sub-§5**, as amended by PL  
12 2003, c. 469, Pt. E, §13, is further amended to read:

14 **5. Loss ratios.** For all policies and certificates issued  
on or after the effective date of this section, the  
16 superintendent shall disapprove any premium rates filed by any  
carrier, whether initial or revised, for an individual health  
18 policy unless it is anticipated that the aggregate benefits  
estimated to be paid under all the individual health policies  
20 maintained in force by the carrier for the period for which  
coverage is to be provided will return to policyholders at least  
22 65% of the aggregate premiums collected for those policies, as  
determined in accordance with accepted actuarial principles and  
24 practices and on the basis of incurred claims experience and  
earned premiums. ~~For the purposes of this calculation, any~~  
26 ~~savings offset payments paid pursuant to section 6913 must be~~  
~~treated as incurred claims.~~

28 **Sec. GGGG-7. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL  
30 2001, c. 410, Pt. A, §4 and affected by §10, is repealed.

32 **Sec. GGGG-8. 24-A MRSA §2808-B, sub-§§2-A, 2-B and 2-C**, as  
enacted by PL 2003, c. 469, Pt. E, §16, are repealed.

34 **Sec. GGGG-9. 24-A MRSA §2839-B**, as enacted by PL 2003, c.  
36 469, Pt. E, §17, is repealed.

38

#### PART HHHH

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**Sec. HHHH-1. 22 MRSA §3173-D**, as enacted by PL 1983, c.  
42 752, §1, is amended to read:

44 **§3173-D. Reimbursement for alcoholism and drug dependency**  
46 **treatment**

46

The department shall provide reimbursement, to the maximum  
48 extent allowable, under the United States Social Security Act,  
Title XIX, for alcoholism and drug dependency treatment.  
50 Treatment shall must include, but need not be limited to,

residential treatment and outpatient care as--defined-in--Title  
24-A,--section-2842.

For purposes of this section, the following terms have the  
following meanings.

**1. Outpatient care.** Outpatient care means care rendered by  
a state-licensed, approved or certified detoxification,  
residential treatment or outpatient program or partial  
hospitalization program on a periodic basis, including, but not  
limited to, patient diagnosis, assessment and treatment;  
individual, family and group counseling; and educational and  
support services.

**2. Residential treatment.** Residential treatment means  
services at a facility that provides care 24 hours a day to one  
or more patients, including, but not limited to, the following  
services: room and board; medical, nursing and dietary services;  
patient diagnosis, assessment and treatment; individual, family  
and group counseling; and educational and support services.  
Residential treatment includes a designated unit of a licensed  
health care facility providing any services specified in this  
subsection to patients with the illnesses of alcoholism and drug  
dependency.

**Sec. HHHH-2. 22 MRSA §8711, sub-§2,** as amended by PL 1999,  
c. 353, §16, is further amended to read:

**2. Information on mandated services.** The organization is  
authorized and directed to require providers of mammography  
services to furnish information with respect to those services  
for the purpose of assisting in the evaluation of the social and  
financial impact and the efficacy of ~~the mandated benefit for~~  
screening mammograms ~~under Title 24, section 2320-A and Title~~  
~~24-A, sections 2745-A and 2837-A.~~ The information that may be  
collected includes the location of mammography units, the  
purchase of new mammography units, the number of screening and  
diagnostic mammograms performed, the charge per mammogram and the  
method and amount of payment, and the number of cancers detected  
by screening mammograms.

**Sec. HHHH-3. 24 MRSA §2317-B, sub-§§9 and 11,** as enacted by  
PL 1999, c. 256, Pt. M, §10, are repealed.

**Sec. HHHH-4. 24 MRSA §2317-B, sub-§12-A,** as enacted by PL  
2001, c. 358, Pt. LL, §1 and affected by §5, is repealed.

**Sec. HHHH-5. 24 MRSA §2317-B, sub-§16-A,** as enacted by PL  
2001, c. 258, Pt. G, §2, is repealed.



HOUSE AMENDMENT "Y" to COMMITTEE AMENDMENT "A" to H.P. 1420,  
L.D. 1919

2           **Sec. HHHH-6. 24 MRSA §2318**, as amended by PL 2003, c. 517,  
Pt. B, §1, is repealed.

4           **Sec. HHHH-7. 24 MRSA §2318-A**, as amended by PL 2003, c.  
517, Pt. B, §2, is repealed.

6           **Sec. HHHH-8. 24 MRSA §2319**, as amended by PL 2003, c. 517,  
8 Pt. A, §1, is repealed.

10          **Sec. HHHH-9. 24 MRSA §2320**, as amended by PL 1977, c. 696,  
12 §201, is repealed.

14          **Sec. HHHH-10. 24 MRSA §2320-A**, as amended by PL 2003, c.  
517, Pt. B, §3, is repealed.

16          **Sec. HHHH-11. 24 MRSA §2320-B**, as amended by PL 2003, c.  
18 517, Pt. B, §4, is repealed.

20          **Sec. HHHH-12. 24 MRSA §2320-C**, as amended by PL 2003, c.  
517, Pt. B, §5, is repealed.

22          **Sec. HHHH-13. 24 MRSA §2320-D**, as renumbered by RR 1995, c.  
24 1, §13, is repealed.

26          **Sec. HHHH-14. 24 MRSA §2320-E**, as amended by PL 2003, c.  
517, Pt. A, §2 and affected by §13, is repealed.

28          **Sec. HHHH-15. 24 MRSA §§2320-F and 2320-G**, as enacted by PL  
30 1997, c. 701, §1, are repealed.

32          **Sec. HHHH-16. 24 MRSA §2324**, as enacted by PL 1979, c. 376,  
is repealed.

34          **Sec. HHHH-17. 24 MRSA §2325-A**, as amended by PL 2003, c.  
36 517, Pt. B, §6, is repealed.

38          **Sec. HHHH-18. 24 MRSA §2325-C**, as enacted by PL 1997, c.  
754, §1, is repealed.

40          **Sec. HHHH-19. 24 MRSA §2329**, as amended by PL 1989, c. 490,  
42 §2, is repealed.

44          **Sec. HHHH-20. 24 MRSA §2331**, as reallocated by PL 1981, c.  
698, §107, is repealed.

46          **Sec. HHHH-21. 24 MRSA §2332-B**, as repealed and replaced by  
48 PL 1991, c. 3, §2, is repealed.

50          **Sec. HHHH-22. 24 MRSA §2332-F**, as amended by PL 2003, c.  
517, Pt. A, §3 and affected by §13, is repealed.

2           **Sec. HHHH-23. 24 MRSA §2332-G**, as amended by PL 2003, c.  
517, Pt. A, §4 and affected by §13, is repealed.

4           **Sec. HHHH-24. 24 MRSA §2332-J**, as amended by PL 2003, c.  
6           517, Pt. B, §7, is repealed.

8           **Sec. HHHH-25. 24 MRSA §2332-K**, as amended by PL 2003, c.  
10           517, Pt. B, §8, is repealed.

12           **Sec. HHHH-26. 24 MRSA §2332-L**, as amended by PL 2003, c.  
14           517, Pt. B, §9, is repealed.

16           **Sec. HHHH-27. 24 MRSA §2332-M**, as amended by PL 2003, c.  
18           517, Pt. B, §10, is repealed.

20           **Sec. HHHH-28. 24-A MRSA 2412, sub-§1-A, ¶D**, as enacted by PL  
1997, c. 370, Pt. G, §2, is amended to read:

22           D. The superintendent may disapprove a form filed pursuant  
to this subsection only if:

24                   (1) The policy or form is not in compliance with the  
laws of the state in which it was issued or delivered;

26                   (2) The policy or form is not in compliance with the  
laws of this State that apply when the policy is issued  
28                   outside this State, such as chapter 36 ~~or section 2843~~;  
or

30                   (3) The superintendent determines that the form is  
32                   deceptive or misleading.

34           **Sec. HHHH-29. 24-A MRSA §2741**, as enacted by PL 1975, c.  
276, §2, is repealed.

36           **Sec. HHHH-30. 24-A MRSA §2741-A**, as enacted by PL 2001, c.  
38           347, §2 and affected by §5, is repealed.

40           **Sec. HHHH-31. 24-A MRSA §2742**, as amended by PL 1997, c.  
795, §§8 and 9, is repealed.

42           **Sec. HHHH-32. 24-A MRSA §2743**, as amended by PL 1997, c.  
44           604, Pt. C, §2, is repealed.

46           **Sec. HHHH-33. 24-A MRSA §2743-A**, as amended by PL 2001, c.  
258, Pt. A, §2, is repealed.

48           **Sec. HHHH-34. 24-A MRSA §2744**, as amended by PL 2003, c.  
50           65, §1 and affected by §5, is repealed.

- 2           **Sec. HHHH-35. 24-A MRSA §2745**, as enacted by PL 1977, c.  
470, §2, is repealed.
- 4           **Sec. HHHH-36. 24-A MRSA §2745-A**, as amended by PL 1997, c.  
6 408, §3 and affected §8, is repealed.
- 8           **Sec. HHHH-37. 24-A MRSA §2745-B**, as amended by PL 1995, c.  
10 671, §9, is repealed.
- 12           **Sec. HHHH-38. 24-A MRSA §2745-C**, as repealed and replaced  
by PL 1997, c. 408, §4 and affected by §8, is repealed.
- 14           **Sec. HHHH-39. 24-A MRSA §2745-D**, as renumbered by RR 1995,  
16 c. 1, §15, is repealed.
- 18           **Sec. HHHH-40. 24-A MRSA §2745-E**, as reallocated by RR 1997,  
c. 2, §51, is repealed.
- 20           **Sec. HHHH-41. 24-A MRSA §2745-F**, as enacted by PL 1997, c.  
22 701, §2, is repealed.
- 24           **Sec. HHHH-42. 24-A MRSA §2745-G**, as reallocated by RR  
1997, c. 2, §51, is repealed.
- 26           **Sec. HHHH-43. 24-A MRSA §2748**, as amended by PL 1993, c.  
28 669, §2, is repealed.
- 30           **Sec. HHHH-44. 24-A MRSA §2749-C**, as amended by PL 2003, c.  
20, Pt. VV, §§8 and 9 and affected by §25, is repealed.
- 32           **Sec. HHHH-45. 24-A MRSA §2750**, as enacted by PL 1989, c.  
34 176, §5, is repealed.
- 36           **Sec. HHHH-46. 24-A MRSA §2754**, as enacted by PL 1995, c.  
592, §2, is repealed.
- 38           **Sec. HHHH-47. 24-A MRSA §2756**, as reallocated by RR 1999,  
c. 1, §§32 and 33, is repealed.
- 40           **Sec. HHHH-48. 24-A MRSA §2757**, as reallocated by RR 1999,  
42 c. 1, §32, is repealed.
- 44           **Sec. HHHH-49. 24-A MRSA §2758**, as reallocated by RR 1999,  
c. 1, §33, is repealed.
- 46           **Sec. HHHH-50. 24-A MRSA §§2759 and 2760**, as reallocated by  
48 RR 2001, c. 1, §31, are repealed.

HOUSE AMENDMENT "Y" to COMMITTEE AMENDMENT "A" to H.P. 1420,  
L.D. 1919

2           **Sec. HHHH-51. 24-A MRSA §2832**, as amended by PL 2003, c.  
517, Pt. B, §11, is repealed.

4           **Sec. HHHH-52. 24-A MRSA §2832-A**, as enacted by PL 2001, c.  
347, §3 and affected by §5, is repealed.

6           **Sec. HHHH-53. 24-A MRSA §2833**, as amended by PL 1993, c.  
8   666, Pt. A, §§5 and 6, is repealed.

10          **Sec. HHHH-54. 24-A MRSA §2834**, as amended by PL 2003, c.  
12   517, Pt. A, §§5 and 6 and affected by §13, is repealed.

14          **Sec. HHHH-55. 24-A MRSA §2834-A**, as amended by PL 2003, c.  
15   517, Pt. B, §12, is repealed.

16          **Sec. HHHH-56. 24-A MRSA §2835**, as amended by PL 2003, c.  
18   517, Pt. B, §13, is repealed.

20          **Sec. HHHH-57. 24-A MRSA §2837**, as amended by PL 1977, c.  
21   696, §202, is repealed.

22          **Sec. HHHH-58. 24-A MRSA §2837-A**, as amended by PL 1997, c.  
24   408, §5 and affected by §8, is repealed.

26          **Sec. HHHH-59. 24-A MRSA §2837-B**, as amended by PL 2003, c.  
27   517, Pt. B, §14, is repealed.

28          **Sec. HHHH-60. 24-A MRSA §2837-C**, as amended by PL 2003, c.  
30   517, Pt. B, §15, is repealed.

32          **Sec. HHHH-61. 24-A MRSA §2837-D**, as renumbered by RR 1995,  
33   c. 1, §17, is repealed.

34          **Sec. HHHH-62. 24-A MRSA §2837-E**, as enacted by PL 2003, c.  
36   517, Pt. A, §7 and affected by §13, is repealed.

38          **Sec. HHHH-63. 24-A MRSA §2837-F**, as reallocated by RR 1997,  
39   c. 2, §52, is repealed.

40          **Sec. HHHH-64. 24-A MRSA §2837-G**, as enacted by PL 1997, c.  
42   701, §3, is repealed.

44          **Sec. HHHH-65. 24-A MRSA §2837-H**, as reallocated by RR  
45   1997, c. 2, §52, is repealed.

46          **Sec. HHHH-66. 24-A MRSA §2840-A**, as amended by PL 1993, c.  
48   669, §3, is repealed.

50          **Sec. HHHH-67. 24-A MRSA §2842**, as amended by PL 1989, c.  
49   490, §3, is repealed.

- 2           **Sec. HHHH-68. 24-A MRSA §2843**, as amended by PL 2003, c.  
517, Pt. B, §16, is repealed.
- 4           **Sec. HHHH-69. 24-A MRSA §2845**, as enacted by PL 1987, c.  
6 293, §2, is repealed.
- 8           **Sec. HHHH-70. 24-A MRSA §2846**, as amended by PL 2003, c.  
517, Pt. B, §17, is repealed.
- 10           **Sec. HHHH-71. 24-A MRSA §2847-E**, as amended by PL 2003, c.  
12 517, Pt. A, §8 and affected by §13, is repealed.
- 14           **Sec. HHHH-72. 24-A MRSA §2847-F**, as amended by PL 2003, c.  
517, Pt. A, §9 and affected by §13, is repealed.
- 16           **Sec. HHHH-73. 24-A MRSA §2847-G**, as amended by PL 2003, c.  
18 517, Pt. B, §18, is repealed.
- 20           **Sec. HHHH-74. 24-A MRSA §2847-H**, as amended by PL 2003, c.  
517, Pt. B, §19, is repealed.
- 22           **Sec. HHHH-75. 24-A MRSA §2847-I**, as amended by PL 2003, c.  
24 517, Pt. B, §20, is repealed.
- 26           **Sec. HHHH-76. 24-A MRSA §2847-J**, as amended by PL 2003, c.  
517, Pt. B, §21, is repealed.
- 28           **Sec. HHHH-77. 24-A MRSA §2847-K**, as amended by PL 2003, c.  
30 517, Pt. B, §22, is repealed.
- 32           **Sec. HHHH-78. 24-A MRSA §4222-B, sub-§11**, as enacted by PL  
1997, c. 445, §31 and affected by §32, is repealed.
- 34           **Sec. HHHH-79. 24-A MRSA §4222-B, sub-§14**, as amended by PL  
36 2001, c. 258, Pt. G, §3, is repealed.
- 38           **Sec. HHHH-80. 24-A MRSA §4229**, as enacted by PL 1989, c.  
176, §9, is repealed.
- 40           **Sec. HHHH-81. 24-A MRSA §4234**, as amended by PL 1993, c.  
42 666, Pt A, §§7 and 8 and amended by Pt. B, §3, is repealed.
- 44           **Sec. HHHH-82. 24-A MRSA §4234-A**, as amended by PL 2003, c.  
655, §3 and affected by §5, is repealed.
- 46           **Sec. HHHH-83. 24-A MRSA §4234-B**, as amended by PL 2003, c.  
48 517, Pt. B, §23, is repealed.

2           **Sec. HHHH-84. 24-A MRSA §4234-C, 3rd ¶**, as enacted by PL  
3

4           If payment of a specific premium or subscription fee is  
5 required to provide coverage for a child, the contract may  
6 require that notification of birth of a newly born child and  
7 payment of the required fees must be furnished to the nonprofit  
8 hospital or medical service organization within 31 days after the  
9 date of birth in order to have the coverage continue beyond that  
10 31-day period. The payment may be required to be retroactive to  
11 the date of birth. ~~Benefits required by section 4234-B must be  
12 paid regardless of whether coverage under this section is elected.~~

14           **Sec. HHHH-85. 24-A MRSA §§4234-D and 4234-E**, as enacted by  
15 PL 1997, c. 701, §4, are repealed.

16           **Sec. HHHH-86. 24-A MRSA §4236**, as amended by PL 1997, c.  
17 99, §1, is repealed.

20           **Sec. HHHH-87. 24-A MRSA §4237**, as amended by PL 2003, c.  
21 517, Pt. B, §24, is repealed.

22           **Sec. HHHH-88. 24-A MRSA §4237-A**, as amended by PL 2003, c.  
23 517, Pt. B, §25, is repealed.

26           **Sec. HHHH-89. 24-A MRSA §4238**, as renumbered by RR 1995, c.  
27 1, §19, is repealed.

28           **Sec. HHHH-90. 24-A MRSA §4240**, as amended by PL 2003, c.  
29 517, Pt. A, §10 and affected by §13, is repealed.

32           **Sec. HHHH-91. 24-A MRSA §4241**, as amended by PL 2003, c.  
31 517, Pt. A, §11 and affected by §13, is repealed.

34           **Sec. HHHH-92. 24-A MRSA §4242**, as amended by PL 2003, c.  
35 517, Pt. A, §12 and affected by §13, is repealed.

38           **Sec. HHHH-93. 24-A MRSA §4244**, as reallocated by RR 1997,  
39 c. 2, §53, is repealed.

40           **Sec. HHHH-94. 24-A MRSA §4246**, as amended by PL 2003, c.  
41 517, Pt. B, §26, is repealed.

44           **Sec. HHHH-95. 24-A MRSA §4247**, as amended by PL 2003, c.  
43 517, Pt. B, §27, is repealed.

46           **Sec. HHHH-96. 24-A MRSA §4248**, as amended by PL 2003, c.  
47 517, Pt. B, §28, is repealed.

2           **Sec. HHHH-97. 24-A MRSA §4249**, as reallocated by RR 2001,  
c. 1, §§36 and 37, is repealed.

4           **Sec. HHHH-98. 24-A MRSA §4250**, as amended by PL 2003, c.  
517, Pt. B, §29, is repealed.

6           **Sec. HHHH-99. 24-A MRSA §4251**, as amended by PL 2003, c.  
8           517, Pt. B, §30, is repealed.

10          **Sec. HHHH-100. 24-A MRSA §4310**, as amended by PL 2003, c.  
12          517, Pt. B, §31, is repealed.

14          **Sec. HHHH-101. 24-A MRSA §4311**, as amended by PL 2003, c.  
517, Pt. B, §32, is repealed.

16          **Sec. HHHH-102. 24-A MRSA §4314**, as amended by PL 2003, c.  
18          517, Pt. B, §33, is repealed.

20          **Sec. HHHH-103. 24-A MRSA §4315**, as amended by PL 2003, c.  
459, §1 and affected by §2, is repealed.

22          **Sec. HHHH-104. 24-A MRSA §5051, sub-§§4 and 5**, as enacted by  
24          PL 1989, c. 556, Pt. B, §2, are repealed and the following  
enacted in their place:

26           **4. Home health care provider.** Home health care provider  
28           means a home health care agency certified under Title XVIII of  
the federal Social Security Act of 1965, as amended, that:

30           A. Is primarily engaged in and licensed or certified to  
32           provide skilled nursing and other therapeutic services;

34           B. Has standards, policies and rules established by a  
36           professional group associated with the agency or  
organization, which professional group must include at least  
one physician and one registered nurse;

38           C. Is available to provide the care needed in the home 7  
40           days a week and has telephone answering service available 24  
hours per day;

42           D. Has the ability to and does provide, either directly or  
44           through contract, the services of a coordinator responsible  
for case discovery and planning and ensuring that the  
46           covered person receives the services ordered by the  
physician;

48           E. Has under contract the services of a physician-advisor  
50           licensed by the State or a physician;

2 F. Conducts periodic case conferences for the purpose of  
individualized patient care planning and utilization review;  
4 and

6 G. Maintains a complete medical record on each patient.

8 5. Home health care services. Home health care services  
means those health care services rendered in a person's place of  
10 residence on a part-time basis to a covered person only if the  
plan covering the home health care services is established as  
12 prescribed in writing by a physician.

14 There is no requirement that hospitalization be an antecedent to  
coverage under the policy. Home health care services include:

16 A. Visits by a registered nurse or licensed practical nurse  
to carry out treatments prescribed or supportive nursing  
18 care and observation as indicated;

20 B. A physician's home or office visits or both;

22 C. Visits by a registered physical, speech, occupational,  
inhalation or dietary therapist for services or for  
24 evaluation of, consultation with and instruction of nurses  
in carrying out therapy prescribed by the attending  
26 physician, or both;

28 D. Any prescribed laboratory tests and x-ray examination  
using hospital or community facilities, drugs, dressings,  
30 oxygen or medical appliances and equipment as prescribed by  
a physician, but only to the extent that such charges would  
32 have been covered under the contract if the covered person  
had remained in the hospital; and

34 E. Visits by persons who have completed a home health aide  
training course under the supervision of a registered nurse  
36 for the purpose of giving personal care to the patient and  
performing light household tasks as required by the plan of  
38 care, but not including medical services.

42 **PART III**

44 **Sec. III-1. 36 MRSA c. 907**, as amended, is further amended by  
46 repealing the chapter headnote and enacting in its place the  
following:

48 **CHAPTER 907**

50 **HOMESTEAD TAX CAP PROGRAM**



2           **Sec. III-2. 36 MRSA §6201-A**, as enacted by PL 1989, c. 534,  
Pt. A, §4, is amended to read:

4           **§6201-A. Short title**

6           This chapter ~~shall be~~ is known and may be cited as the Maine  
8 ~~Residents-Property-Tax~~ Homestead Tax Cap Program.

10           **Sec. III-3. 36 MRSA §6207**, as amended by PL 1999, c. 494, §1,  
is further amended to read:

12           **§6207. Calculation of benefits for nonelderly households**

14           A claimant representing a nonelderly household qualifies for  
16 the following benefits ~~subject to the following income~~  
18 ~~limitations.~~

20           **1. Benefit calculation.** For claimants representing a  
nonelderly household, the benefit is calculated as follows:

22           A-1. Fifty percent of that portion of the benefit base that  
24 exceeds 4% but does not exceed 8% of income plus 100% of  
that portion of the benefit base that exceeds 8% of income  
to a maximum payment of \$1,000 \$3,000.

26           ~~**2. Income eligibility.** Single member households with~~  
28 ~~household incomes in excess of \$25,700 and households with 2 or~~  
30 ~~more members with a household income in excess of \$40,000 are not~~  
~~eligible for a benefit.~~

32           **3. Subsidized housing; special needs payment.** A claim may  
not be granted under this section to claimants:

34           A. Whose housing costs for the year for which relief is  
36 requested were subsidized by government programs that limit  
38 housing costs to a percentage of household income, except  
that the exclusion provided by this paragraph does not apply  
to persons receiving social security disability or  
40 supplemental security income disability benefits.

42           **4. Minimum benefit.** A claim of less than \$10 may not be  
granted.

44           **Sec. III-4. 36 MRSA §6209, sub-§1**, as amended by PL 1989, c.  
46 508, §25, is further amended to read:

48           **§6209. Annual adjustment**

1. **Household income adjustment; elderly households.**  
Beginning March 1, 1989, and annually thereafter, the State Tax Assessor shall determine the household income eligibility adjustment factor. That factor shall--be is multiplied by the income limitations in section 6206, applicable for the year prior to that for which relief is requested. The result shall-be is rounded to the nearest \$100 and shall-apply applies to the year for which relief is requested corresponding to the year on which the annualized cost of living adjustments were based. Beginning ~~March 1, 1991, the same procedure shall be employed to adjust the income limitation in section 6207, subsection 2.~~

**Sec. III-5. 36 MRSA §6210**, as amended by PL 1997, c. 557, Pt. A, §4 and affected by Pt. G, §1, is further amended to read:

**§6210. Administration**

The State Tax Assessor shall make available suitable forms with instructions for claimants. The claim shall must be in the form the State Tax Assessor may-~~prescribe~~ prescribes and shall must be signed by the claimant.

The State Tax Assessor shall include a checkoff to request an application for the ~~Maine-Residents-Property-Tax~~ Homestead Tax Cap Program on the individual income tax form. The assessor shall also provide for the option of filing an application for the ~~Maine-Residents-Property-Tax~~ Homestead Tax Cap Program using the telefile system established by the assessor.

**Sec. III-6. 36 MRSA §6218**, as enacted by PL 1989, c. 534, Pt. A, §10, is amended to read:

**§6218. Readability; application; instructions**

The application form and instructions used by applicants for assistance under the ~~Maine-Residents-Property-Tax~~ Homestead Tax Cap Program and its successor, if any, shall must have a readability score, as determined by a recognized instrument for measuring adult literacy levels, equivalent to no higher than a 6th grade reading level.

**Sec. III-7. 36 MRSA §6219**, as amended by PL 1997, c. 526, §14, is further amended to read:

**§6219. Outreach plan required**

The Bureau of Revenue Services shall develop and implement a plan of outreach to ensure that all eligible households are made aware of assistance available under the ~~Maine-Residents-Property Tax~~ Homestead Tax Cap Program and its successor, if any.

2           **Sec. III-8. 36 MRSA §6220**, as amended to PL 1997, c. 668,  
§40, is further amended to read:

4  
6           **§6220. Coordination required**

8           The bureau shall seek the advice and cooperation of the  
Bureau of Elder and Adult Services; the Bureau of Family  
10           Independence; the Bureau of Child and Family Services; advocates  
for elderly and low-income individuals; and other interested  
12           agencies and organizations in developing the application form and  
instruction booklet for the ~~Maine--Residents--Property--Tax~~  
14           Homestead Tax Cap Program and the outreach plan required by  
section 6219.

16           **Sec. III-9. Revision of account.** The Department of  
Administrative and Financial Services is directed to change  
18           references to accounts named Maine Residents Property Tax Program  
to Homestead Tax Cap Program.

20           **Sec. III-10. Application.** This Part applies to applications  
22           for benefits on or after August 1, 2004.

24           **Sec. III-11. Appropriations and allocations.** The following  
26           appropriations and allocations are made.

28           **ADMINISTRATIVE AND FINANCIAL SERVICES,  
DEPARTMENT OF**

30           **Homestead Tax Cap Program (0648)**

32           Initiative: Provides funds to expand the Maine Residents  
Property Tax Program to create the Homestead Property Tax Cap  
34           Program.

36 <b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
38           All Other	\$0	\$41,370,326
40           General Fund Total	<hr/> \$0	<hr/> \$41,370,326

42           **Maine Revenue Services (0002)**

44           Initiative: Provides funds for one Tax Examiner position and  
other administrative costs associated with the establishment of  
46           the Homestead Property Tax Cap Program.

48 <b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
Positions - Legislative Count	(0.000)	(1.000)
50           Personal Services	\$0	\$53,037

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2	All Other	0	100,654
4	General Fund Total	\$0	\$153,691
6	<b>ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF</b>		
8	<b>DEPARTMENT TOTALS</b>	<b>2003-04</b>	<b>2004-05</b>
10	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$41,524,017</b>
12	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$41,524,017</b>

14 **PART JJJJ**

16 **Sec. JJJJ-1. 30-A MRSA §5681, sub-§5, ¶¶A and B,** as amended by  
18 PL 2003, c. 20, Pt. W, §1, are further amended to read:

20 A. For months beginning before July 1, ~~2005~~ 2004, 5.1%; and

22 B. For months beginning on or after July 1, ~~2005~~, ~~-5.2%~~ 2004,  
5.4%.

24 **PART KKKK**

26 **Sec. KKKK-1. 36 MRSA §683, sub-§1,** as repealed and replaced  
28 by PL 2003, c. 20, Pt. BB, §1 and affected by §3, is repealed.

30 **Sec. KKKK-2. 36 MRSA §683, sub-§1-A,** as enacted by PL 2003,  
32 c. 20, Pt. BB, §2 and affected by §3, is repealed.

34 **Sec. KKKK-3. 36 MRSA §683, sub-§1-B** is enacted to read:

36 1-B. Exemption amount. The estate up to the just value of  
38 \$7,000 of the homestead of a permanent resident of this State who  
40 has owned a homestead in this State for the preceding 12 months  
42 is exempt from taxation except for assessments for special  
44 benefits. In determining the local assessed value of the  
46 exemption, the assessor shall multiply the amount of the  
48 exemption by the ratio of current just value upon which the  
assessment is based as furnished in the assessor's annual return  
pursuant to section 383. If the title to a homestead is held by  
the applicant jointly or in common with others, the exemption may  
not exceed \$7,000 of the just value of the homestead but may be  
apportioned among the owners who reside on the property to the  
extent of their respective interests. A municipality responsible  
for administering the homestead exemption has no obligation to  
create separate accounts for each partial interest in a homestead  
owned jointly or in common.

2           **Sec. KKKK-4. Application.** This Part applies to property tax  
4           valuations based on the status of property on or after April 1,  
          2004.

6           **Sec. KKKK-5. Appropriations and allocations.** The following  
          appropriations and allocations are made.

8  
10           **ADMINISTRATIVE AND FINANCIAL SERVICES,  
          DEPARTMENT OF**

12           **Homestead Property Tax Exemption Reimbursement (0886)**

14           Initiative: Provides funds to restore the homestead exemption to  
16           \$7,000.

16 <b>General Fund</b>	2003-04	2004-05
18           All Other	\$0	\$5,131,486
20           General Fund Total	<hr/> \$0	<hr/> \$5,131,486

22           **Homestead Property Tax Exemption - Mandate Reimbursement (0887)**

24           Initiative: Provides funds to reimburse municipalities for the  
26           local cost associated with changes to the homestead exemption.

26 <b>General Fund</b>	2003-04	2004-05
28           All Other	\$0	\$33,500
30           General Fund Total	<hr/> \$0	<hr/> \$33,500

32           **ADMINISTRATIVE AND FINANCIAL SERVICES,  
          DEPARTMENT OF**

34 <b>DEPARTMENT TOTALS</b>	2003-04	2004-05
36 <b>GENERAL FUND</b>	\$0	\$5,164,986
38 <b>DEPARTMENT TOTAL - ALL FUNDS</b>	<hr/> \$0	<hr/> \$5,164,986

40

**PART LLLL**

42

44           **Sec. LLLL-1. 20-A MRSA §15671, sub-§7, ¶B,** as enacted by PL  
          2003, c. 504, Pt. A, §5, is amended to read:

46           B. The annual targets for the state share percentage are as  
          follows.

48

(1) For fiscal year 2005-06, the target is 49% 52.6%.

50

2 (2) For fiscal year 2006-07, the target is 49.25%  
52.6%.

4 (3) For fiscal year 2007-08, the target is 49.50% 53%.

6 (4) For fiscal year 2008-09, the target is 49.75% 54%.

8 (5) For fiscal year 2009-10 and succeeding years, the  
10 target is 50% 55%.

12 **Sec. LLLL-2. Appropriations and allocations.** The following  
appropriations and allocations are made.

14 **EDUCATION, DEPARTMENT OF**

16 **General Purpose Aid for Local Schools (0308)**

18 Initiative: Provides additional funds for the General Purpose  
Aid for Local Schools program.

20

General Fund	2003-04	2004-05
22 All Other	\$0	\$26,858,031
24 General Fund Total	<u>\$0</u>	<u>\$26,858,031</u>

26 **PART MMMM**

28 **Sec. MMMM-1. 36 MRSA §5122, sub-§1, ¶V,** as enacted by PL  
2003, c. 451, Pt. II, §2, is amended to read:

30  
32 V. For tax years beginning on or after January 1, 2003 and  
before January 1, ~~2006~~ 2004, the amount claimed as a federal  
34 income adjustment for student loan interest under the Code,  
Section 62 (a)(17), but only for interest paid after 60  
36 months from the start of the loan repayment period.

38 **Sec. MMMM-2. 36 MRSA §5218, sub-§1,** as amended by PL 2003,  
c. 20, Pt. FF, §1, is further amended to read:

40 **1. Resident taxpayer.** A resident individual is allowed a  
42 credit against the tax otherwise due under this Part in the  
amount of 25% of the federal tax credit allowable for child and  
44 dependent care expenses in the same tax year, except that for tax  
years beginning in 2003, ~~2004 and 2005~~, the applicable percentage  
46 is 21.5% instead of 25%.

48 **Sec. MMMM-3. 36 MRSA §5218, sub-§2,** as amended by PL 2003,  
c. 391, §10, is further amended to read:

2           **2. Nonresident or part-year resident taxpayer.** A  
nonresident individual is allowed a credit against the tax  
4 otherwise due under this Part in the amount of 25% of the federal  
tax credit allowable for child and dependent care expenses  
6 multiplied by the ratio of the individual's Maine adjusted gross  
income, as defined in section 5102, subsection 1-C, paragraph B,  
8 to the individual's entire federal adjusted gross income, as  
modified by section 5122, except that for tax years beginning in  
2003, ~~2004 and 2005~~, the applicable percentage is 21.5% instead  
10 of 25%.

12           **Sec. MMMM-4. 36 MRSA §5219-S,** as amended by PL 2003, c.  
20, Pt. GG, §1, is further amended to read:

14           **§5219-S. Earned income credit**

16           A taxpayer is allowed a credit against the taxes otherwise  
18 due under this Part equal to 5% of the federal earned income  
credit for the same taxable year, except that for tax years  
20 beginning in 2003, ~~2004 and 2005~~, the applicable percentage is  
4.92% instead of 5%. The credit may not reduce the state income  
22 tax to less than zero.

24

**PART NNNN**

26

**Sec. NNNN-1. Appropriations and allocations.** The following  
28 appropriations and allocations are made.

30           **BEHAVIORAL AND DEVELOPMENTAL  
SERVICES, DEPARTMENT OF**

32

**Mental Health Services - Community 0121**

34

Initiative: Appropriates funds for peer support services.

36

<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
All Other	\$0	\$200,000
General Fund Total	<u>\$0</u>	<u>\$200,000</u>

38

40

42

**Mental Health Services - Community 0121**

44

Initiative: Appropriates funds to maintain funding for social  
46 clubs at the fiscal year 2003-04 level.

48

<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
All Other	\$0	\$200,000

50

HOUSE AMENDMENT "Y" to COMMITTEE AMENDMENT "A" to H.P. 1420,  
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2	General Fund Total	\$0	\$200,000
4	<b>Mental Health Services - Community 0121</b>		
6	Initiative: Appropriates funds for housing assistance to persons with mental illness.		
8	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
10	All Other	\$0	\$1,600,000
12	General Fund Total	\$0	\$1,600,000
14	<b>Mental Health Services - Children 0136</b>		
16	Initiative: Appropriates funds to restore a deappropriation made in Part A of this Act.		
18	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
20	All Other	\$0	\$1,000,000
22	General Fund Total	\$0	\$1,000,000
24	<b>BEHAVIORAL AND DEVELOPMENTAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS</b>		
26		<b>2003-04</b>	<b>2004-05</b>
28	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$3,000,000</b>
30	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$3,000,000</b>
32	<b>BAXTER COMPENSATION AUTHORITY</b>		
34	<b>Baxter Compensation Authority 0117</b>		
36	Initiative: Provides additional funds to disburse to those former students who are found to have suffered physical or sexual abuse while they were students at and under the care of the Governor Baxter School for the Deaf or the Maine School for the Deaf.		
40	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
42	All Other	\$0	\$3,000,000
44	General Fund Total	\$0	\$3,000,000
46	<b>BAXTER COMPENSATION AUTHORITY DEPARTMENT TOTALS</b>		
48		<b>2003-04</b>	<b>2004-05</b>
50	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$3,000,000</b>

# HOUSE AMENDMENT



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2	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$3,000,000</b>
4	<b>FINANCE AUTHORITY OF MAINE</b>		
6	<b>Student Financial Assistance Programs 0653</b>		
8	Initiative: Appropriates funds to restore a deappropriation made in Part UUU of this Act related to the use of TANF funding.		
10	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
12	All Other	\$0	\$183,250
14	General Fund Total	<hr/>	<hr/>
		\$0	\$183,250
16	<b>FINANCE AUTHORITY OF MAINE</b>		
	<b>DEPARTMENT TOTALS</b>	<b>2003-04</b>	<b>2004-05</b>
18	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$183,250</b>
20	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<hr/>	<hr/>
		\$0	\$183,250
22	<b>HUMAN SERVICES, DEPARTMENT OF</b>		
24	<b>Long-term Care - Human Services 0420</b>		
26	Initiative: Appropriates funds to restore a deappropriation made in Part A of this Act.		
28	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
30	All Other	\$0	\$2,053,000
32	General Fund Total	<hr/>	<hr/>
		\$0	\$2,053,000
34	<b>Congregate Housing 0211</b>		
36	Initiative: Appropriates funds to restore a deappropriation made in Part A of this Act.		
38	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
40	All Other	\$0	\$800,000
42	General Fund Total	<hr/>	<hr/>
		\$0	\$800,000
44	<b>Child Welfare Services 0139</b>		
46	Initiative: Appropriates funds to restore a deappropriation made in Part A of this Act.		
48	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
50	All Other	\$0	\$1,500,000

HOUSE AMENDMENT "Y" to COMMITTEE AMENDMENT "A" to H.P. 1420,  
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2	General Fund Total	\$0	\$1,500,000
4	<b>Temporary Assistance for Needy Families 0138</b>		
6	Initiative: Appropriates funds to restore a deappropriation made in Part A of this Act.		
8			
	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
10	All Other	\$0	\$2,245,000
12	General Fund Total	\$0	\$2,245,000
14	<b>Medical Care - Payments to Providers 0147</b>		
16	Initiative: Appropriates and allocates funds for the Consumer Directed Personal Assistance Services Medicaid program.		
18			
	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
20	All Other	\$0	\$1,400,000
22	General Fund Total	\$0	\$1,400,000
24	<b>Federal Expenditures Fund</b>		
		<b>2003-04</b>	<b>2004-05</b>
26	All Other	\$0	\$3,367,959
28	Federal Expenditures Fund Total	\$0	\$3,367,959
30	<b>Medical Care - Payments to Providers 0147</b>		
32	Initiative: Appropriates and allocates funds to restore MaineCare Basic deappropriations for chiropractic services and psychological services.		
34			
	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
36	All Other	\$0	\$206,613
38	General Fund Total	\$0	\$206,613
40	<b>Federal Expenditures Fund</b>		
		<b>2003-04</b>	<b>2004-05</b>
42	All Other	\$0	\$386,591
44	Federal Expenditures Fund Total	\$0	\$386,591
46	<b>Nursing Facilities</b>		
48	Initiative: Appropriates and allocates funds to restore the reduction in supplemental reimbursement to nursing homes funded by the nursing home tax initiative.		
50			

# HOUSE AMENDMENT

HOUSE AMENDMENT "Y" to COMMITTEE AMENDMENT "A" to H.P. 1420,  
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2	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	\$0	\$1,100,000
4	General Fund Total	\$0	\$1,100,000
6	<b>Federal Expenditures Fund</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	\$0	\$2,058,197
8	Federal Expenditures Fund Total	\$0	\$2,058,197
10	<b>HUMAN SERVICES, DEPARTMENT OF</b>		
12	<b>DEPARTMENT TOTALS</b>	<b>2003-04</b>	<b>2004-05</b>
14	GENERAL FUND	\$0	\$9,304,613
16	FEDERAL EXPENDITURES FUND	0	5,812,747
18	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$15,117,360
20	<b>LABOR, DEPARTMENT OF</b>		
22	<b>Rehabilitation Services - Home Based Care 0996</b>		
24	Initiative: Provides funds for the state-funded home-based care program in fiscal year 2004-05.		
26	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	\$0	\$400,000
28	General Fund Total	\$0	\$400,000
30	<b>LABOR, DEPARTMENT OF</b>		
32	<b>DEPARTMENT TOTALS</b>	<b>2003-04</b>	<b>2004-05</b>
34	GENERAL FUND	\$0	\$400,000
36	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$400,000
38	<b>SECTION TOTALS</b>	<b>2003-04</b>	<b>2004-05</b>
40	GENERAL FUND	\$0	\$15,887,863
42	FEDERAL EXPENDITURES FUND	0	5,812,747
44	SECTION TOTAL - ALL FUNDS	\$0	\$21,700,610

**PART 0000**

48 Sec. 0000-1. 24-A MRSA §2736-C, sub-§1, ¶B, as enacted by PL  
1993, c. 477, Pt. C, §1 and affected by Pt. F, §1, is amended to  
50 read:

2 B. Community rate means the rate charged to all eligible  
4 individuals for individual health plans prior to any  
adjustments pursuant to subsection 2, paragraphs paragraph C  
and-D.

6  
8 **Sec. 0000-2. 24-A MRSA §2808-B, sub-§1, ¶B,** as enacted by PL  
1991, c. 861, §2, is amended to read:

10 B. Community rate means the rate to be charged to all  
12 eligible groups for small group health plans prior to any  
adjustments pursuant to subsection 2, paragraphs paragraph C  
and-D.

14  
16 **Sec. 0000-3. 24-A MRSA §6951, first ¶,** as enacted by PL 2003,  
c. 469, Pt. A, §8, is amended to read:

18 The Maine Quality Forum, referred to in this subchapter as  
20 the forum, is established within Dirigo Health. The forum is  
governed by the board with advice from the Maine Quality Forum  
22 Advisory Council pursuant to section 6952. ~~The forum must be  
funded, at least in part, through the savings offset payments  
made pursuant to section 6913.~~ Except as provided in section  
24 6907, subsection 2, information obtained by the forum is a public  
26 record as provided by Title 1, chapter 13, subchapter 1. The  
forum shall perform the following duties.'

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

32  
34 **SUMMARY**

This amendment does the following.

36  
38 It amends the estate tax to conform to recent increases in  
the threshold for application of the tax while maintaining the  
40 federal calculation of the state share of the tax that existed as  
of December 31, 2002.

42 It repeals language that would have imposed a limitation on  
44 transfers to the circuit breaker reserve.

46 Part FFFF expands the Dirigo Health Insurance program to all  
residents of this State and requires that coverage of eligible  
48 MaineCare enrollees and eligible state employees and retirees be  
provided through Dirigo Health Insurance starting January 1,  
2005. The amendment requires that the Board of Directors of  
50 Dirigo Health develop a benefit package compatible with federally

2 authorized health savings accounts and provide the opportunity  
for health savings accounts for all eligible individuals. The  
4 amendment also limits the out-of-pocket maximums, including  
deductibles, copayments and coinsurance, under the Dirigo Health  
6 Insurance program to 10% of an eligible individual's adjusted  
gross income. Dirigo Health may establish an Enrollee Hardship  
8 Fund to provide financial assistance to eligible individuals to  
meet any required out-of-pocket maximums under the Dirigo Health  
Insurance program.

10  
12 Financing for coverage under the Dirigo Health Insurance  
program is provided through an individual health assessment.  
14 Beginning January 1, 2005, all resident individuals and  
nonresident individuals subject to income tax liability must pay  
16 an individual health assessment of 5% for the first \$150,000 of  
that individual's adjusted gross income and an additional 1% of  
18 any portion of that adjusted gross income that exceeds \$150,000.  
The amendment repeals the provision in current law relating to  
20 savings offset payments by health insurers and 3rd-party  
administrators.

22 Part FFFF also requires the State to establish a health  
savings account for eligible state employees and retirees. The  
24 amendment also requires that the State contribute \$1,000 in  
one-time funds to seed a health savings account for all eligible  
26 retirees. The amount of any state contributions to health  
savings accounts of eligible employees may be determined under  
28 negotiated collective bargaining agreements. Funding for the  
contributions to retiree health savings accounts will come from  
30 the federal fiscal relief funds that allowed for the transfer of  
General Fund money to the Dirigo Health Fund.

32  
34 Part GGGG repeals the community rating law in the individual  
and small group health insurance markets. It also repeals the  
36 statutory provisions governing rate review of small group  
insurance policies and the certification of large group rates.

38 Part HHHH repeals existing state-mandated benefits, mandated  
health insurance coverage and mandated offerings of health  
40 benefits. It also corrects cross-references necessitated by the  
repeal of the various provisions of law.

42  
44 Part IIII transforms the Maine Residents Property Tax  
Program into a true homestead property tax cap program that will  
46 provide a benefit to all Maine residents whose property taxes  
exceed 4% of their income. Income eligibility requirements are  
48 eliminated. The effect of these changes is to establish a cap on  
property taxes exceeding 6% of income for nearly all Maine  
residents. The maximum rebate is \$3,000.

50

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HOUSE AMENDMENT "Y" to COMMITTEE AMENDMENT "A" to H.P. 1420,  
L.D. 1919

2 Part JJJJ increases the portion of sales and income tax  
revenue set aside for state-municipal revenue sharing from 5.1%  
4 to 5.4% beginning July 2004. That increase will be transferred  
to the Disproportionate Tax Burden Fund, also known as "Revenue  
Sharing II."

6  
8 Part KKKK restores the homestead property tax exemption to  
the original \$7,000 for all homesteads.

10 Part LLLL appropriates an additional \$27 million for general  
purpose aid for local schools in fiscal year 2004-05 and  
12 increases the state share of the cost of public kindergarten to  
grade 12 public education funding to 55% of the cost of essential  
14 programs and services by fiscal year 2009-10.

16 Part MMMM restores conformity with the federal Internal  
Revenue Code with regard to the deduction for certain student  
18 loan interest, the child and dependent care credit and the earned  
income tax credit.

20 Part NNNN restores certain funding that was eliminated in  
22 Committee Amendment "A." Among the restored areas of funding  
are: peer support services, social clubs and housing assistance  
24 in the Department of Behavioral and Developmental Services; the  
Baxter Compensation Authority; student financial assistance  
26 through the Finance Authority of Maine; several areas in  
long-term care, congregate housing, child welfare services, TANF,  
28 Consumer Directed Personal Assistance Services Medicaid program,  
MaineCare Basic chiropractic and psychological services and  
30 nursing facilities in the Department of Human Services; and  
state-funded home-based care through the Department of Labor.

32  
34 Part OOOO corrects cross-references necessitated by changes  
in this amendment.

36  
38  
40  
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44

SPONSORED BY: Christopher O'Neil  
(Representative O'NEIL)

TOWN: Saco

FISCAL NOTE REQUIRED  
(See attached)

# HOUSE AMENDMENT

**121st Maine Legislature  
Office of Fiscal and Program Review**



**LD 1919**

**An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2004 and June 30, 2005**

**LR 2833(05)**

**Fiscal Note for House Amendment " " to Committee Amendment "A"**

**Sponsor: Rep. O'Neil**

**Fiscal Note Required: Yes**

**Fiscal Note**

	2003-04	2004-05
<b>Net Cost (Savings)</b>		
General Fund	\$1,043,460	(\$169,645,710)
<b>Appropriations/Allocations</b>		
General Fund	\$0	(\$254,618,520)
Other Special Revenue Funds	\$0	\$308,419,001
Federal Expenditures Fund	\$0	\$5,812,747
<b>Revenue</b>		
General Fund	\$0	(\$46,472,809)
Other Special Revenue Funds	\$0	\$521,000,000
<b>Transfers/Adjustments to Balance</b>		
General Fund	(\$1,043,460)	(\$38,500,000)
Other Special Revenue Funds	\$0	\$0

**Fiscal Detail and Notes**

This amendment will increase the General Fund cost of the bill by \$1,043,460 in fiscal year 2003-04 and decrease the General Fund cost of the bill by \$169,645,710 in fiscal year 2004-05. Based on the estimated year-end balances, this amendment maintains a balanced budget for the 2004-2005 biennium.