

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 69

H.P. 65

House of Representatives, January 11, 2005

An Act To Reduce Costs to the Health Services System

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative GLYNN of South Portland.
Cosponsored by Representatives: LEWIN of Eliot, PINGREE of North Haven, SHIELDS of Auburn.

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

2
4 Sec. 1. 22 MRSA §42. sub-§9 is enacted to read:

6 9. Contract obligation. The department shall adopt rules
8 regarding the continuation of contracts for health services with
10 hospitals and other providers of health care licensed by the
12 State. Rules adopted pursuant to this subsection are routine
14 technical rules as defined in Title 5, chapter 375, subchapter
16 2-A. The rules must include the following terms:

18 A. The signing of a new contract before the end of the
20 existing contract period; and

22 B. If a new contract is not signed in accordance with
24 paragraph A, continuation of services provided under the
26 terms of the existing contract and one of the following
28 settlements between the department and the hospital or
30 health care provider, at the option of the department:

32 (1) Final payment for services in the continuation
34 period at the rate of the new contract. If that
36 payment is made by the department, the payment must be
38 made in a lump sum; or

 (2) Payment from the department of the cost to the
 hospital or health care provider of any interest and
 costs incurred in borrowing funds that is necessitated
 because of the failure to sign the new contract.

SUMMARY

34 This bill provides a mechanism for reimbursing hospitals and
36 health care providers that contract with the Department of Health
38 and Human Services for services. The bill requires new contracts
 to be signed prior to the end of the old contracts and provides
 for payment if this is not done.