

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 1072

H.P. 725

House of Representatives, March 1, 2005

### An Act To Require Health Care Providers To Contain Costs

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

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative CANAVAN of Waterville.  
Cosponsored by Senator MAYO of Sagadahoc and  
Representatives: BRAUTIGAM of Falmouth, CRAVEN of Lewiston, EBERLE of South  
Portland, MAKAS of Lewiston, O'BRIEN of Lewiston, SAMPSON of Auburn, WALCOTT of  
Lewiston, Senator: GAGNON of Kennebec.

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

4 **Sec. 1. 22 MRSA §1720** is enacted to read:

6 **§1720. Cost restraints**

8 **1. Mandatory restraints.** In order to control the rate of  
10 growth of costs of health care and health care coverage, each  
12 hospital licensed under chapter 405 shall restrain inpatient cost  
14 increases, measured as expenses per case mix adjusted discharge,  
to no more than 3.5% of each hospital fiscal year. Each hospital  
shall hold hospital-only and hospital-consolidated operating  
margins to no more than 3%.

16 **2. Voluntary restraints.** In order to control the rate of  
18 growth costs of health care and health care coverage, each health  
20 care practitioner, as defined in Title 24, section 2502,  
22 subsection 1-A, is asked to limit the growth of net revenue of  
24 the practitioner's practice to 3% for each fiscal year beginning  
on or after July 1, 2005. Each health insurance carrier licensed  
in this State is asked to voluntarily limit the pricing of  
products it sells in this State to the level that supports no  
more than a 3% underwriting gain less federal taxes for the  
carrier's fiscal years beginning on or after July 1, 2005.

26 **Sec. 2. PL 2003, c. 469, Pt. F, §1** is repealed.

28 **SUMMARY**

30 This bill repeals the voluntary requirement under the Dirigo  
32 Health laws asking hospitals to contain costs. The bill enacts a  
mandatory requirement that hospitals contain costs.