

MAINE STATE LEGISLATURE

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DATE: 6/7/15

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HEALTH AND HUMAN SERVICES

Minority

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1043, L.D. 1487, Bill, "An Act To Repeal Certificate of Need as It Applies to Hospitals, Ambulatory Surgical Units and Physician Offices"

Amend the bill by striking out the title and substituting the following:

'An Act To Repeal Certificate of Need Requirements for Physicians' Offices and Physician-owned Ambulatory Surgical Facilities'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 22 MRSA §328, sub-§2, as enacted by PL 2001, c. 664, §2, is amended to read:

2. Ambulatory surgical facility. "Ambulatory surgical facility" means a facility, not part of a hospital, that provides surgical treatment to patients not requiring hospitalization. "Ambulatory surgical facility" does not include the offices of private physicians or dentists, whether in individual or group practice or ambulatory surgical facilities owned wholly or in part by one or more physicians.

Sec. 2. 22 MRSA §328, sub-§17-A, as corrected by RR 2003, c. 1, §15, is amended to read:

17-A. New health service. "New health service" means:

A. The obligation of any capital expenditures by or on behalf of a health care facility of \$110,000 or more that is associated with the addition of a health service that was

not offered on a regular basis by or on behalf of the health care facility within the 12-month period prior to the time the services would be offered; or

B. The addition of a health service that is to be offered by or on behalf of a health care facility that was not offered on a regular basis by or on behalf of the health care facility within the 12-month period prior to the time the services would be offered and that, for the 3rd fiscal year of operation, including a partial first year following addition of that service, is projected to entail incremental annual operating costs directly attributable to the addition of that health service of at least \$400,000+~~er.~~

~~C. The addition in the private office of a health care practitioner, as defined in Title 24, section 2502, subsection 1-A, of new technology that costs \$1,200,000 or more. The department shall consult with the Maine Quality Forum Advisory Council established pursuant to Title 24-A, section 6952, prior to determining whether a project qualifies as a new technology in the office of a private practitioner. Beginning September 30, 2004 and annually thereafter, the threshold amount for review must be updated by the commissioner to reflect the change in the Consumer Price Index medical index. With regard to the private office of a health care practitioner, "new health service" does not include the location of a new practitioner in a geographic area.~~

"New health service" does not include a health care facility that extends a current service within the defined primary service area of the health care facility by purchasing within a 12-month time period new equipment costing in the aggregate less than the threshold provided in section 328, subsection 16;

Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Medical Care - Payments to Providers 0147

Initiative: Appropriates and allocates funds for the increased cost to the MaineCare program of changes to the certificate of need statute related to the ambulatory surgical facilities.

| GENERAL FUND | 2005-06 | 2006-07 |
|---------------------------|----------------|------------------|
| All Other | \$0 | \$184,135 |
| GENERAL FUND TOTAL | \$0 | \$184,135 |

COMMITTEE AMENDMENT "A" to H.P. 1043, L.D. 1487

| | | | |
|---|----------------------------------|----------------|----------------|
| 2 | FEDERAL EXPENDITURES FUND | 2005-06 | 2006-07 |
| | All Other | \$0 | \$312,185 |
| 4 | | <hr/> | <hr/> |
| 6 | FEDERAL EXPENDITURES FUND TOTAL | \$0 | \$312,185' |

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SUMMARY

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This amendment is the minority report of the committee. The amendment replaces the title and the bill. It amends the definition of ambulatory surgical facility so that it excludes facilities owned wholly or in part by one or more physicians. This change in definition excludes those types of facilities from a certificate of need requirement. It amends the definition of new health service to exclude additions of new technology in the private office of a health care practitioner from a certificate of need requirement. The amendment also adds an appropriations and allocations section.

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FISCAL NOTE REQUIRED
(See attached)

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122nd MAINE LEGISLATURE

LD 1487

LR 1102(02)

An Act To Repeal Certificate of Need as It Applies to Hospitals, Ambulatory Surgical Units and Physician Offices

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Health and Human Services

Fiscal Note Required: Yes

Minority Report

Fiscal Note

| | 2005-06 | 2006-07 | Projections 2007-08 | Projections 2008-09 |
|-----------------------------------|---------|-----------|------------------------|------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$0 | \$184,135 | \$198,865 | \$214,775 |
| Appropriations/Allocations | | | | |
| General Fund | \$0 | \$184,135 | \$198,865 | \$214,775 |
| Federal Expenditures Fund | \$0 | \$312,185 | \$337,160 | \$364,133 |
| Revenue | | | | |
| Federal Expenditures Fund | \$0 | \$312,185 | \$337,160 | \$364,133 |

Fiscal Detail and Notes

For the purposes of estimating the impact on the MaineCare program, assumes three new ambulatory surgical facilities will be added as a result of this legislation. Further assumes 220 MaineCare procedures at each new facility per year (the current MaineCare average for existing ambulatory surgical facilities) at an average reimbursement rate of \$752 per procedure (current MaineCare average for existing ambulatory surgical facilities). Assumes additional MaineCare costs will not be incurred until the second year of the biennium.