

MAINE STATE LEGISLATURE

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M
R.O.S.

L.D. 1760

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DATE: **3-22-06**

(Filing No. S- **515**)

HEALTH AND HUMAN SERVICES

Reported by: **Majority**

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**STATE OF MAINE
SENATE
122ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "**A**" to S.P. 677, L.D. 1760, Bill, "An Act To Amend the Maine Health Data Organization Laws Regarding Dental Services"

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

'An Act To Amend the Maine Health Data Organization and Maine Health Data Processing Center Laws'

Further amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 10 MRSA §684, sub-§5, as enacted by PL 2001, c. 456, §1, is amended to read:

5. Cooperation with agencies and organizations. Cooperate with and avail itself of the services of government agencies and the University of Maine System and cooperate, assist and otherwise encourage organizations, local or regional, private or public, in the various communities of the State in the collection and processing of health care data; and

Sec. 2. 10 MRSA §684, sub-§6, as corrected by RR 2001, c. 2, Pt. B, §22 and affected by §58, is amended to read:

6. Bylaws. Adopt bylaws that are consistent with this chapter for the governance of the affairs of the center, have the general powers accorded corporations under Title 13-C, section 302 and do all other things necessary or convenient to carry out the lawful purposes of the center; and

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2 **Sec. 3. 10 MRSA §684, sub-§7** is enacted to read:

4 **7. Process data on behalf of entities outside State.**
6 Enter, to offset its operating costs, into contracts under
8 subsection 4 with governmental or private entities outside the
10 State to collect and process health care data for those entities.
12 Data collected and processed by the center under contract are
14 subject to the terms of the contract and the provisions of this
16 chapter. Notwithstanding section 682, data collected under this
18 subsection remain the sole and exclusive property of the entity
20 contracting with the center.

22 **Sec. 4. 10 MRSA §689, sub-§1**, as enacted by PL 2001, c. 456,
24 §1, is amended to read:

26 **1. Net earnings of center.** The annual net earnings of the
28 center must be distributed to the Maine Health Data Organization
30 and the Maine Health Information Center in proportion to the
32 average annual funding provided by each entity for the
34 operational costs of the center. The net earnings of the center
36 may not inure to the benefit of any officer, director or
38 employee, except that the center is authorized and empowered to
40 pay reasonable compensation for services rendered and otherwise
42 hold, manage and dispose of its property in furtherance of the
44 purposes of the center.

46 **Sec. 5. 22 MRSA §8704, sub-§7**, as amended by PL 2005, c. 253,
48 §5, is further amended to read:

50 **7. Annual report.** The board shall prepare and submit an
annual report on the operation of the organization and the Maine
Health Data Processing Center as authorized in Title 10, section
681, including any activity contracted for by the organization or
contracted services provided by the center, with resulting net
earnings, to the Governor and the joint standing committee of the
Legislature having jurisdiction over health and human services
matters no later than February 1st of each year. The report must
include an annual accounting of all revenue received and
expenditures incurred in the previous year and all revenue and
expenditures planned for the next year. The report must include
a list of persons or entities that requested data from the
organization in the preceding year with a brief summary of the
stated purpose of the request.

52 **Sec. 6. 22 MRSA §8705-A, sub-§3, ¶B**, as enacted by PL 2003, c.
54 659, §2, is amended to read:

56 B. A person or entity that receives data or information
58 under the terms and conditions of section 8707 and

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2 intentionally or knowingly uses, sells or transfers the data
in violation of the board's rules for commercial advantage,
4 pecuniary gain, personal gain or malicious harm commits a
civil violation for which a fine not to exceed \$250,000
6 \$500,000 may be adjudged.'

8 Further amend the bill in section 1 in paragraph C by
striking out all of subparagraph (2) (page 1, lines 11 to 30 in
10 L.D.) and inserting in its place the following:

12 '(2) Annual assessments of not less than \$100 assessed
against the following entities licensed under Titles 24
14 and 24-A: nonprofit hospital and medical service
organizations, health insurance carriers and health
16 maintenance organizations on the basis of the total
annual health care premium; and 3rd-party
18 administrators and carriers that provide only
administrative services for a plan sponsor on the basis
20 of claims processed or paid for each plan sponsor. The
assessments are to be determined on an annual basis by
22 the board. Health care policies issued for specified
disease, accident, injury, hospital indemnity,
24 disability, long-term care or other limited benefit
health insurance policies are not subject to assessment
26 under this subparagraph. For purposes of this
subparagraph, policies issued for dental services are
not considered to be limited benefit health insurance
28 policies. The total dollar amount of assessments under
this subparagraph must equal the assessments under
30 subparagraph (3); and'

32 Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
34 consecutively.

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SUMMARY

40 The amendment retains the bill's provision that dental
services are not limited benefit health insurance policies and
42 are subject to the permanent funding assessment under Maine
Health Data Organization laws. The amendment adds new sections
44 that allow the Maine Health Data Processing Center to receive and
process claims from entities outside the State, specify how the
46 net earnings of the center must be distributed and require the
Maine Health Data Organization board of directors to report those
48 net earnings each year.

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2 This amendment also increases the fine from \$250,000 to
3 \$500,000 for a person who receives and uses data of the Maine
4 Health Data Organization for commercial advantage, pecuniary or
5 personal gain or malicious harm.

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FISCAL NOTE REQUIRED
(See attached)

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COMMITTEE AMENDMENT



122nd MAINE LEGISLATURE

LD 1760

2554(02)

An Act To Amend the Maine Health Data Organization Laws Regarding Dental Services

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

Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium revenue increase - Other Special Revenue Funds

Potential future biennium cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

The Maine Health Data Organization and the Maine Health Data Processing Center may receive additional revenue and may incur additional costs as a result of the provisions of this bill. The exact amounts and the resulting net impact cannot be determined at this time. The bill as amended would subject dental services insurance policies to the MHDO assessment. This would not affect total MHDO revenue collected because the assessment on other payers would be reduced.