

MAINE STATE LEGISLATURE

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DATE: 4-28-06

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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. 852, L.D. 2110, Bill, "An Act To Establish the Hospital and Health Care Provider Cooperation Act"

Amend the bill in section 1 in §1843 in subsection 3 in the 2nd line (page 2, line 8 in L.D.) by striking out the following: "physician" and inserting in its place the following: "licensed community mental health services provider, a physician"

Further amend the bill in section 1 in §1843 in subsection 3 in the 3rd line (page 2, line 9 in L.D.) by striking out the following: "State and" and inserting in its place the following: 'State or'

Further amend the bill in section 1 in §1844 in subsection 4 by striking out all of paragraph D (page 4, lines 13 to 15 in L.D.) and inserting in its place the following:

'D. This paragraph applies with regard to a public hearing.

(1) The department may hold a public hearing when it determines a public hearing is appropriate.

(2) The department shall hold a public hearing if 5 or more persons who are residents of the State and who are from the health service area to be served by the applicant request, in writing, that a hearing be held.

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2 A request under this subparagraph must be received by
3 the department no later than 30 days after publication
4 of the notice under subsection 3.

6 (3) If a public hearing is held, an electronic or
7 stenographic record of the public hearing must be kept
8 as part of the record of the application by the
9 department.'

10 Further amend the bill in section 1 in §1844 in subsection 5
11 in the 7th line (page 5, line 1 in L.D.) by inserting after the
12 following: "agreement." the following: 'The department may not
13 issue to health care providers a certificate of public advantage
14 for a cooperative agreement that allows coordinated negotiation
15 and contracting with payors or employers unless such negotiation
16 and contracting are ancillary to clinical or financial
17 integration.'

18 Further amend the bill in section 1 in §1844 in subsection 5
19 in paragraph A in the 3rd line (page 5, line 9 in L.D.) by
20 striking out the following: "benefits may" and inserting in its
21 place the following: 'benefits are likely to'

22 Further amend the bill in section 1 in §1844 in subsection 5
23 in paragraph A in subparagraph (4) in the first line (page 5,
24 line 22 in L.D.) by striking out the following: "use of" and
25 inserting in its place the following: 'utilization of'

26 Further amend the bill in section 1 in §1848 in subsection 4
27 in the 2nd line (page 11, line 24 in L.D.) by striking out the
28 following: "applicant" and inserting in its place the following:
29 'applicants'

30 Further amend the bill in section 1 in §1848 in subsection 4
31 in the 3rd line (page 11, line 25 in L.D.) by striking out the
32 following: "bears" and inserting in its place the following:
33 'bear'

34 Further amend the bill in section 1 in §1851 in first
35 paragraph by deleting the 3rd sentence (page 15, lines 19 to 21
36 in L.D.) and inserting in its place the following: 'The
37 application fee is \$2500 for a certificate of public advantage
38 filed by health care providers or hospitals that are not subject
39 to the \$10,000 fee pursuant to this section.'

40 Further amend the bill by striking out all of section 3 and
41 inserting in its place the following:
42

H. S.

2 'Sec. 3. Report. The Department of Health and Human Services
3 shall submit 2 reports to the joint standing committee of the
4 Legislature having jurisdiction over health and human services
5 matters on the experience of the department in administering the
6 Hospital and Health Care Provider Cooperation Act. The reports
7 must be submitted by April 1, 2007 and January 1, 2008.

8 'Sec. 4. Application. This Act applies to cooperative
9 agreements entered into on or after June 1, 2006 that are
10 submitted to the Department of Health and Human Services for
11 review under the Hospital and Health Care Provider Cooperation
12 Act.'

14
15 **SUMMARY**

16 This amendment is the majority report of the committee.

18 This amendment does the following.

20 1. It adds licensed community mental health services
21 providers to the definition of health care providers included in
22 the Hospital and Health Care Provider Cooperation Act. Mental
23 health providers are covered by the Hospital Cooperation Act of
24 1992 and were inadvertently omitted from the bill.

26 2. It makes grammatical changes in several places.

28 3. It prohibits issuing to health care providers a
29 certificate of public advantage for a cooperative agreement that
30 allows coordinated negotiation and contracting with payors or
31 employers unless the negotiation and contracting are ancillary to
32 clinical or financial integration. This prohibition is not
33 intended to preclude consideration of whether clinical or
34 financial integration is necessary to demonstrate that likely
35 benefits outweigh likely disadvantages for the issuance of a
36 certificate of public advantage with respect to a cooperative
37 agreement for coordinated negotiation and contracting filed by
38 hospitals.

40 4. It requires a public hearing on the application for a
41 certificate of public advantage if 5 or more persons request a
42 hearing and requires a record of the hearing to be kept as part
43 of the public record of the application.

44 5. It adds a requirement that the Department of Health and
45 Human Services report by April 1, 2007 and January 1, 2008 to the
46 joint standing committee of Legislature having jurisdiction over
47 health and human services matters on the experience of the
48 department in administering the Hospital and Health Care Provider
49 Cooperation Act.
50

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2 6. It deletes the delayed effective date and inserts an
application clause to apply the new law to agreements entered
4 into on or after June 1, 2006.

6

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



Approved: 04/28/06 *MAC*

122nd MAINE LEGISLATURE

LD 2110

LR 3274(02)

An Act To Establish the Hospital and Health Care Provider Cooperation Act

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

Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Minor revenue increase - General Fund

Minor cost increase - Other Special Revenue Funds

Minor revenue increase - Other Special Revenue Funds

Correctional and Judicial Impact Statements

This bill may increase the number of civil suits filed in the court system.

The collection of additional filing fees may increase General Fund revenue by minor amounts.

Fiscal Detail and Notes

Costs associated with the enforcement responsibilities can be absorbed by the Department of the Attorney General utilizing existing budgeted resources. This legislation may result in a minor increase in dedicated revenue from the additional collection of application fees in an amount that can not be determined at this time. Any additional costs to the Department of Health and Human Services are expected to be minor and can be absorbed utilizing existing budgeted resources, including revenue that will continue to be available as a result of this bill.