

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 1276**

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H. P. 1093

House of Representatives, March 10, 1955

Referred to the Committee on Appropriations and Financial Affairs, sent up for concurrence and 1500 copies ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Ross of Bath.

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**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FIFTY-FIVE

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**AN ACT Creating Hospital Service for the Indigent.**

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

**Sec. 1. R. S., c. 25, §§ 274-A - 274-L, additional.** Chapter 25 of the revised statutes is hereby amended by adding thereto 12 new sections to be numbered 274-A to 274-L, inclusive, to read as follows:

**'Hospital Service for the Indigent.**

**Sec. 274-A. Intent and purpose.** It is the legislative intent of sections 274-A to 274-L, inclusive, that it be interpreted as a program designed and administered so as to pay the cost of hospitalization for those residents of this State who are ill or injured and who can be helped markedly by treatment in a hospital, and who are clearly unable to meet the full cost from their own resources or those upon whom they are legally dependent. It is not intended that the program shall be burdened by attempting to provide purely domiciliary care for residents with chronic, permanently disabling illnesses, or illnesses already provided for by special programs of the State such as hospitalization of public assistance cases generally known as categorical. The provisions of sections 274-A to 274-L, inclusive, shall not apply to local welfare recipients. It is intended that sections 274-A to 274-L, inclusive, shall be compulsory on every county.

**Sec. 274-B. Definitions.** As used in sections 274-A to 274-L, inclusive, unless the context otherwise indicates, the following words, terms and phrases shall have the following meanings:

"Applicant" means a person who has applied for assistance under the provisions of sections 274-A to 274-L, inclusive.

“Assistance” means money payments made by the Department to any hospital for an applicant.

“Commissioner” means Commissioner of Health and Welfare.

“County” means any one of the several counties of Maine including the incorporated cities contained in the county.

“Department” means State Department of Health and Welfare.

“Director” means Director of Health or his successor in office by whatever title he may be identified.

“Hospital” means any institution publicly or privately owned eligible for State aid to hospitals, for the care of persons needing medical or surgical care, and holding a license under the provisions of sections 265 to 274, inclusive, and having on its staff one or more physicians, and in addition meets the requirements set forth in regulations authorized under the provisions of sections 274-A to 274-L, inclusive.

“Medically indigent person” means a person who has been a resident of Maine for 1 year immediately prior to hospitalization and who is ill or injured, who can be helped markedly by treatment in a hospital, and who is unable to provide himself with necessary hospital services as prescribed and ordered by a physician, without depriving himself or his dependents of necessary food, shelter, clothing or the other necessities of life.

“Physician” means a person who is licensed to practice medicine or surgery or any branch thereof under the provisions of chapter 66 or who is licensed to practice osteopathy under the provisions of chapter 71.

“Recipient” means a person who has received or is receiving assistance under the provisions of sections 274-A to 274-L, inclusive.

Sec. 274-C. Hospital service for the indigent. The Commissioner is authorized to and shall establish a service within the Bureau of Health to be known as “Hospital Service for the Indigent,” the purpose of which is to provide hospitalization for medically indigent persons who are resident of this State, the hospital charges to be limited to 80% of the non-profit basic costs of the hospitalization. Such costs as are admitted, accepted and approved by the Department and reported on their standard form. Payment shall not be made in excess of such approved cost or minimum established rates prevailing in the hospital where the service is provided. Refund shall be made to the appropriation for aid to public and private hospitals in all instances where the minimum established rates or approved basic costs are exceeded. Such service is to be designed for the purpose of furnishing bed, board and any hospital services needed for the effective treatment of the ill or injured indigent as deemed necessary and ordered by the physician in charge of the case, but the service shall not contemplate nor include any payment for professional medical services. The Commissioner shall be charged with the duty of carrying out the administration of the provisions of sections 274-A to 274-L, inclusive.

Sec. 274-D. Rules and regulations. The Department shall establish such rules and regulations as may be necessary for the proper administration of sec-

tions 274-A to 274-L, inclusive. Such regulations shall be binding on all counties and shall be complied with by all local agencies or persons responsible for enforcement of any part of sections 274-A to 274-L, inclusive, and shall include among other things:

- I. The development of a formula to be used as a basis for the allotment of funds appropriated by the State for this service, such formula to be so devised that the appropriation required from each county shall be related to its assessed property valuation as determined by the Board of Equalization.
- II. Criteria for acceptance of participating hospitals.
- III. Method of determining reimbursable cost for indigent hospital service.
- IV. Broad rules to determine medical indigency.
- V. Requirements concerning reports that shall be made by participating hospitals, including medical and financial reports and audits.
- VI. Method of determination of need for hospitalization of persons eligible for indigent hospital service.

Sec. 274-E. Requisites for aid. To qualify for assistance under this program a person shall be:

- I. "Medically indigent person" as hereinabove defined.

Sec. 274-F. Budget estimates. The Department shall on or before the 1st day of April of each year submit to the county commissioners of every county a budget containing an estimate and supporting data setting forth the amount of money needed to carry out the provisions of sections 274-A to 274-L, inclusive, in the county for which such report is submitted, and the amount of money required to be appropriated by the county as hereinafter set forth.

Sec. 274-G. Forms. The Department shall, in accordance with specific regulations established by the Commissioner, as herein provided, prepare and supply all county committees, hospitals and local health officers or boards of health with such forms as may be deemed necessary and advisable.

Sec. 274-H. County tax. The county commissioners of each county are hereby authorized and empowered and directed to levy such ad valorem taxes as may be necessary to raise the required revenue to match, on the formula basis, the county's part of the cost of this program and such cost shall be included in the annual estimate of the commissioners as provided for in section 13 of chapter 89. The proceeds of this tax when levied shall be kept by the county treasurer as a special fund separate and apart from all other funds until payment is made to the State and credited to the appropriation for aid to public and private hospitals, as herein provided.

The county commissioners of each county are authorized to borrow money on short term notes at interest not to exceed 6% to pay the required contribution of the county until county taxes for the previous year are collected. No money shall be borrowed for such purpose except when a tax has been levied for the purpose of raising the required contribution and then only in anticipation of tax

collection. The notes for such loans shall be repaid out of funds collected from a tax levied for "Hospital Service for the Indigent."

In the event any county shall fail or neglect during any quarter to pay the sum of money which such county is required to pay under the provisions of sections 274-A to 274-L, inclusive, then the Treasurer of State is authorized and required to retain the sum necessary for such payment out of any State funds distributable to such defaulting county for any purpose. No statutory requirements that any distributable fund shall be used exclusively for a designated purpose shall be construed as preventing the Treasurer of State from taking out of such fund the amount which any county owes under the provisions of sections 274-A to 274-L, inclusive. It is the intent of this provision to authorize and require a set-off against any claim which any county may have upon the State Treasury of such amount as the county may owe to the appropriation for aid to public and private hospitals and to provide for the payment into such appropriation of such amount thus set off.

In addition to the provisions of the preceding paragraph, the Treasurer of State may give notice of such failure or neglect to the county commissioners of such delinquent county, and unless such tax shall be paid within 60 days, the Treasurer of State may issue his warrant to the sheriff of the county requiring him to levy, by distress and sale, upon the real and personal property of any of the inhabitants of such county, and the sheriff or his deputies shall execute such warrant, observing the regulations provided by satisfying warrants against delinquent collectors, as prescribed by chapter 92.

Sec. 274-I. Hospital service. All funds, from whatever source, appropriated or received for indigent hospital service shall be deposited into the State Treasury and credited to the appropriation for public and private hospitals and be expended by the Department solely for the purposes set forth in sections 274-A to 274-L, inclusive, and in accordance with the provisions thereof; provided, that with the approval of the Commissioner and upon proper certification duly sworn to, any county may receive credit for direct expenditures made during a current year by the county to a hospital or hospitals within the county when such expenditures can be shown by the county to have been made for the care of "medically indigent persons" within the meaning of sections 274-A to 274-L, inclusive. When such certifications of direct expenditures are made by a county, the Commissioner may authorize direct payments from the counties' share of the State portion of the appropriation less any charges for administration and necessary emergency treatment of that county's patients in other hospitals.

Sec. 274-J. Use of moneys. Any moneys herein appropriated or authorized to be contributed, or hereafter appropriated or contributed for the administration of sections 274-A to 274-L, inclusive, may be used by the Department in such a way as to provide indigent hospitalization in any participating hospital that can most effectively render the particular treatment the individual patient needs, without regard to the county in which the hospital is located.

Sec. 274-K. Penalties. Any person knowingly obtaining or attempting to obtain, or who aids or abets any other person to obtain or attempt to obtain by means of a willfully false statement or representation or by impersonation or

other fraudulent device any benefits provided by sections 274-A to 274-L, inclusive, to which he is not lawfully entitled, shall be guilty of a misdemeanor and be punished by a fine of not more than \$500 or by imprisonment for not more than 11 months, or by both such fine and imprisonment.

It shall be unlawful for any physician, person, firm or corporation to directly or indirectly charge or receive anything of value for assisting any person in making application for indigent hospitalization as provided in sections 274-A to 274-L, inclusive. Any person violating the provisions of this section shall be guilty of a misdemeanor and be punished by a fine of not more than \$500 or by imprisonment for not more than 11 months, or by both such fine and imprisonment.

**Sec. 274-L. Title.** The provisions of sections 274-A to 274-L, inclusive, shall be known as the "Hospital Service for the Indigent Act."

**Sec. 2. County shares apportioned.** The sum appearing opposite the names of the counties in the following schedule is hereby granted as a tax on each county respectively to be appropriated, assessed, collected and applied to the purpose of providing each county's share in the program for hospital service for the indigent, as provided in sections 274-A to 274-L, inclusive, of chapter 25 of the Revised Statutes of 1954, for the years 1956 and 1957.

	1956	1957
Androscoggin	\$ 49,360.31	\$ 49,360.31
Aroostook	46,852.16	46,852.16
Cumberland	122,087.63	122,087.63
Franklin	10,406.27	10,406.27
Hancock	23,331.21	23,331.21
Kennebec	46,919.83	46,919.83
Knox	15,468.75	15,468.75
Lincoln	13,644.53	13,644.53
Oxford	26,194.04	26,194.04
Penobscot	62,595.24	62,595.24
Piscataquis	12,067.64	12,067.64
Sagadahoc	11,188.17	11,188.17
Somerset	26,227.00	26,227.00
Waldo	9,194.97	9,194.97
Washington	14,719.86	14,719.86
York	59,742.39	59,742.39

**Sec. 3. Appropriation.** There is hereby appropriated to the appropriation for aid to public and private hospitals the sum of \$550,000 from the unappropriated surplus of the general fund for the fiscal year ending June 30, 1956 and \$550,000 for the fiscal year ending June 30, 1957 to carry out the provisions of this act.