

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

SECOND SPECIAL SESSION

December 12, 1991 to January 7, 1992

SECOND REGULAR SESSION

January 8, 1992 to March 31, 1992

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SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
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PUBLISHED BY THE REVISOR OF STATUTES
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TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1992

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
SECOND REGULAR SESSION

of the
ONE HUNDRED AND FIFTEENTH LEGISLATURE

1991

CHAPTER 786

H.P. 1535 - L.D. 2168

An Act to Clarify and Make Technical Changes in the Hospital Care Financing System

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

Sec. 1. 22 MRSA §396, sub-§3, ¶B, as amended by PL 1991, c. 485, §5, is repealed and the following enacted in its place:

B. Outpatient service revenue limits must be established as follows.

(1) For payment years beginning or deemed to begin on or after October 1, 1994, the commission shall regulate outpatient services by setting the rate per unit of service or per classification, exclusive of the capital-related revenues subject to the component established under paragraph C.

(2) For payment years beginning or deemed to begin before October 1, 1992, the commission shall establish revenue limits for outpatient services using methods consistent with those used in setting gross patient service revenue limits for payment years beginning prior to October 1, 1990, except that the capital-related revenues subject to the component established under paragraph C must be excluded.

(3) For payment years beginning or deemed to begin between September 30, 1992 and September 30, 1994, the commission may establish a method of regulating outpatient service revenue that is consistent with subparagraph (1). Until a method consistent with subparagraph (1) takes effect, the commission shall use a method consistent with subparagraph (2).

Nothing in this paragraph prohibits the commission from refining or modifying the method of adjusting for outpatient volume.

Sec. 2. 22 MRSA §396-I, sub-§4, as repealed and replaced by PL 1989, c. 588, Pt. A, §33, is amended to read:

4. Negotiated discounts. As of March 1, 1991, any hospital that is participating, ~~or~~ has chosen to participate or must participate; in the rate per case system; may negotiate discounts to charges with payors ~~or~~ purchasers. Negotiated discounts may include capitation arrangements and other contracts in which an agreed payment

amount may, in individual cases, be more or less than the established charge for the services rendered. Between March 1, 1991 and September 30, 1991, negotiated discounts may not exceed 5% of the hospital's established charges for inpatient services or 7% of its established charges for outpatient services. There ~~shall be~~ is no limit on the magnitude of negotiated discounts after September 30, 1991. Hospitals in the total revenue system may negotiate discounts with the approval of the commission according to standards adopted by rule of the commission. The revenue losses resulting from negotiated discounts ~~shall~~ may not be reflected in the computation of a hospital's revenue limit.

Sec. 3. 22 MRSA §396-L, sub-§4, ¶¶H and I, as enacted by PL 1989, c. 919, §13 and affected by §18, are amended to read:

H. A hospital participating in the rate per case payment system or a ~~hospital-capitalized affiliate~~ an affiliated interest of a hospital participating in the rate per case payment system may engage in a hospital restructuring without commission approval unless the restructuring involves any of the following:

(1) The hospital restructuring involves the transfer of an existing hospital patient care service, or the undertaking by an affiliated interest of a hospital patient care service that is not an outpatient service; or

(2) The hospital restructuring involves a transfer or pledge of assets that is not exempt from approval under paragraph F; undertaking by an affiliated interest of a hospital patient care service that is not an outpatient service; or

(3) A transfer of assets or a pledge of assets or credit that is not exempt from approval under paragraph F.

As a condition to the transfer of any hospital assets under this paragraph, and without regard to whether prior approval is necessary, the commission shall require that provision be made for a fair return on the hospital's investment. In cases of transfers ~~where~~ when prior commission approval is not required, the hospital shall file a notice setting forth the nature of the transfer and documentation of the provision of a fair return to the hospital.

In cases ~~where~~ when a hospital previously participating in the rate per case payment system seeks entry into the total revenue system, the commission has the authority to review those hospital restructurings carried out pursuant to this paragraph that have not been reviewed and approved

previously by the commission. As a consequence of that review, the commission may attach conditions to the transfer of the hospital to the total revenue system that it determines consistent with the interest of the people of the State. These conditions may include a condition requiring divestiture of affiliated interests created in accordance with this paragraph; or reinclusion of services provided by those affiliated interests into the hospital corporation.

Nothing in this paragraph exempts from the requirement of commission approval any merger that results in any transfer, undertaking or pledge described in subparagraphs (1) to (3).

I. No less than ~~40~~ 21 days prior to the effective date of any hospital restructuring that is exempt from approval under paragraph H, each affected hospital shall file with the commission a notice including a description of the contemplated restructuring, the date on which it is expected to occur and other information the commission may reasonably require about the characteristics and expected effects of the restructuring. No more than 30 days after each restructuring described in a notice under this subsection occurs, each affected hospital shall file with the commission a report of the date on which the restructuring took place, any differences between the restructuring that occurred and the description furnished in the notice and any corrections or amendments of the other information in the notice that ~~is~~ are necessary to reflect the results of the restructuring that actually took place.

Sec. 4. 22 MRSA §396-L, sub-§8 is enacted to read:

8. Corporate purposes of holding company. The corporate purposes of parent entities of hospitals are subject to the following provisions.

A. No later than January 1, 1994, the corporate purposes of any parent entity of a hospital, as set forth in its articles of incorporation, must contain a statement that ensures that the primary purposes of the parent entity are to support the provision of health services by the hospital or hospitals controlled by the parent entity. The primary purposes may also include the support of other health care facilities and direct providers of health care serving the same communities as the hospitals controlled by the parent entity.

B. The commission may, upon application, grant a waiver or modification of the requirements of this subsection if the applicant shows that compliance would be impracticable and that a waiver is not inconsistent with the purposes of this section and

the purposes set forth in section 381. A corporation may deviate from the requirements of this subsection, without commission approval, to the extent necessary to remain in compliance with federal law governing exemption from income taxes.

See title page for effective date.

CHAPTER 787

H.P. 1594 - L.D. 2248

An Act to Clarify Maine's Rent-to-own Laws

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

9-A MRSA Art. XI is enacted to read:

Article XI

RENTAL-PURCHASE PRACTICES

§11-101. Short title

This Article may be known and cited as the "Maine Consumer Credit Code - Rental-purchase Agreements."

§11-102. Purpose; rules of construction

1. This Article must be liberally construed and applied to promote its underlying purposes and policies.

2. The underlying purposes and policies of this Article are to:

A. Simplify, clarify and modernize the law governing rental-purchase agreements;

B. Provide certain disclosures to consumers who enter into rental-purchase agreements and to promote consumer understanding of the terms of rental-purchase agreements;

C. Protect consumers against unfair practices by some rental-purchase dealers, having due regard for the interests of legitimate and scrupulous rental-purchase dealers; and

D. Permit and encourage the development of fair and economically sound rental-purchase practices.

§11-103. Supplementary general principles of law applicable

Unless displaced by the particular provisions of this Article, the "Uniform Commercial Code" and the principles of law and equity, including the law relative to capacity to contract, principal and agent, estoppel, fraud,