

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)

**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**

**ONE HUNDRED AND TWENTY-SECOND LEGISLATURE**

**FIRST REGULAR SESSION**  
**December 1, 2004 to March 30, 2005**

**FIRST SPECIAL SESSION**  
**April 4, 2005 to June 18, 2005**

**THE GENERAL EFFECTIVE DATE FOR**  
**FIRST REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**JUNE 29, 2005**

**THE GENERAL EFFECTIVE DATE FOR**  
**FIRST SPECIAL SESSION**  
**NON-EMERGENCY LAWS IS**  
**SEPTEMBER 17, 2005**

**PUBLISHED BY THE REVISOR OF STATUTES**  
**IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,**  
**TITLE 3, SECTION 163-A, SUBSECTION 4.**

---

---

**Penmor Lithographers**  
**Lewiston, Maine**  
**2005**

**Sec. 3. Relationship between law enforcement agencies and homeless.** The Commissioner of Public Safety and the Attorney General shall review the relationship between law enforcement agencies and people who are homeless and shall explore methods of encouraging law enforcement agencies in communities with significant homeless populations or that have homeless shelters within their areas of jurisdiction to take concrete and meaningful steps to improve relations with people who are homeless and their advocates. As part of their review, the commissioner and the Attorney General shall consider ways to encourage regular meetings between law enforcement officers and advocates, representatives of the homeless community and people who are homeless to discuss issues of concern to the homeless community, the status of pending cases when appropriate and issues raised by the law enforcement agency.

The commissioner and the Attorney General shall report back to the joint standing committee of the Legislature having jurisdiction over judiciary matters during the First Regular Session of the 123rd Legislature on the results of their review and the status of the relationship between law enforcement agencies and people who are homeless.

**Sec. 4. Working group regarding aggravating sentencing factors for crimes against persons who are homeless.** The Office of the Attorney General shall convene a working group to examine the advisability of implementing aggravating sentencing factors for crimes against people who are homeless. The Office of the Attorney General shall invite members of the judicial branch, representatives from the Office of the Attorney General, representatives from at least 2 district attorneys' offices and any other parties the Office of the Attorney General considers appropriate to participate in the working group. No later than January 15, 2006, the working group shall report its findings and recommendations to the Joint Standing Committee on Criminal Justice and Public Safety. Upon review of the findings, the Joint Standing Committee on Criminal Justice and Public Safety may report out implementing legislation, if necessary.

See title page for effective date.

---



---

## CHAPTER 394

S.P. 620 - L.D. 1673

### An Act To Implement Certain Recommendations of the Commission To Study Maine's Community Hospitals

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

**Sec. 1. 5 MRSA §8005** is enacted to read:

**§8005. Governor's Office of Health Policy and Finance**

Notwithstanding any provision of law to the contrary, the provisions of this subchapter and subchapters 2 and 2-A apply to rulemaking by the Governor's Office of Health Policy and Finance or its successor agency.

**Sec. 2. 22 MRSA §8709, sub-§1-A** is enacted to read:

**1-A. Hospitals; standardized accounting template.** When filing the financial information required under subsection 1, a hospital also shall file information using the standardized accounting template published in the report of the Commission to Study Maine's Community Hospitals in February 2005. The hospital shall file this information using an electronic version of the template provided to the hospital by the organization. If in succeeding years the template needs to be modified, the board shall adopt rules specifying the filing requirements. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. 3. 24-A MRSA §6908, sub-§12** is enacted to read:

**12. Legislative jurisdiction.** Notwithstanding any provision of law to the contrary, legislative jurisdiction for oversight of Dirigo Health is governed by the Joint Rules of the Legislature. In adopting the joint rules, the Legislature shall give consideration to ensuring that legislative oversight of Dirigo Health is thorough and ongoing, that normal budgetary procedures and controls are exercised and that committee jurisdiction is consistent with the subject matter jurisdiction of the joint standing committees.

**Sec. 4. Standardized reporting and voluntary limits to control growth of hospital costs.**

**1. Voluntary restraint.** To control the rate of growth of the costs of hospital services, the Legislature requests that each hospital licensed under the Maine Revised Statutes, Title 22, chapter 405 voluntarily restrain cost increases and consolidated operating margins in accordance with this section. The targets and methodology apply to each hospital's fiscal year beginning on or after July 1, 2005 and remain in effect through the end of each hospital's fiscal year beginning on or after July 1, 2007.

A. Each hospital is asked to voluntarily hold its consolidated operating margin to no more than 3%. For purposes of this section, a hospital's consolidated operating margin is calculated by dividing its consolidated operating income by its total consolidated operating revenue.

B. Each hospital is asked to voluntarily restrain its increase in its expense per casemix-adjusted inpatient and volume-adjusted outpatient discharge to no more than 110% of the forecasted increase in the hospital market basket index for the coming federal fiscal year, as published in the Federal Register, when the federal Centers for Medicare and Medicaid Services publishes the Medicare program's hospital inpatient prospective payment system rates for the coming federal fiscal year. For purposes of this paragraph, the measure of a hospital's expense per casemix-adjusted inpatient and volume-adjusted outpatient discharge is calculated by:

- (1) Calculating the hospital's total hospital-only expenses;
- (2) Subtracting from the hospital's total hospital-only expenses the amount of the hospital's bad debt;
- (3) Subtracting from the amount reached in subparagraph (2) the hospital taxes paid to the State during the hospital's fiscal year; and
- (4) Dividing the amount reached in subparagraph (3) by the product of:
  - (a) The number of inpatient discharges, adjusted by the all payer case mix index for the hospital; and
  - (b) The ratio of total gross patient service revenue to gross inpatient service revenue.

For the purposes of this paragraph, a hospital's total hospital-only expenses include any item that is listed on the hospital's Medicare cost report as a subprovider, such as a psychiatric unit or rehabilitation unit, and does not include nonhospital cost centers shown on the hospital's Medicare cost report, such as home health agencies, nursing facilities, swing beds, skilled nursing facilities and hospital-owned physician practices. For purposes of this paragraph, a hospital's bad debt is as defined and reported in the hospital's Medicare cost report.

C. By October 1, 2005, the Maine Hospital Association and the Governor's Office of Health Policy and Finance shall agree on a target for in-

creases in hospitals' expense per casemix-adjusted inpatient discharge. Each hospital's expense per casemix-adjusted inpatient discharge is calculated using the following process:

- (1) Each patient's expense per discharge is calculated by applying the Medicare cost report ratio of cost-to-charges for the matching cost centers to the charge detail on each patient's discharge abstract as reported in the Maine Health Data Organization's discharge abstracts;
- (2) The hospital's average expense per discharge is calculated by adding the costs of all discharges and dividing the sum by the total number of discharges; and
- (3) The hospital's expense per casemix-adjusted inpatient discharge is calculated by adjusting the average expense per discharge by the average case weight for the hospital, using case weights issued by the federal Centers for Medicare and Medicaid Services.

**Sec. 5. Outpatient cost-efficiency.** By January 1, 2006, the Maine Hospital Association and the Governor's Office of Health Policy and Finance shall agree on a timetable, format and methodology for the hospital association to measure and report on outpatient cost-efficiency. The methodology must use the ambulatory payment classification system as the unit of cost.

**Sec. 6. Standardization of administrative cost tracking.** The Legislature requests that the Maine Hospital Association develop, by January 1, 2006, standardized definitions of various administrative cost categories that hospitals may use when establishing budgets and reporting on spending on administrative costs.

**Sec. 7. Health care administrative streamlining work group.**

**1. Work group established.** The Governor's Office of Health Policy and Finance shall convene a health care administrative streamlining work group to facilitate the creation and implementation of a single portal through which hospitals can access and transmit member eligibility, benefit and claims information from multiple insurers. The work group shall investigate:

- A. Funding mechanisms, including seeking outside funding for start-up and ongoing operational costs, with the intention that the portal become independent and sustainable over time; and

B. Ways to ensure that savings resulting from implementation of such a portal are passed on to purchasers in the form of rate reductions by hospitals and other providers and by reductions in administrative costs by insurers and 3rd-party administrators.

The work group may also consider the incorporation of medical and quality data to the extent possible in the future.

**2. Membership.** The work group consists of 17 members appointed by the Governor. The membership of the work group must reflect the geographic diversity of the State. Members serve as volunteers and without compensation or reimbursement for expenses. The membership consists of the following persons:

- A. Four members representing community hospitals chosen from a list submitted by a statewide association representing hospitals;
- B. Four members representing insurers or other 3rd-party payors;
- C. Two members representing physician practices;
- D. One member representing an organization that specializes in the collection of health care data;
- E. One member representing statewide business;
- F. One member representing the Maine Quality Forum;
- G. Two members representing the Department of Administrative and Financial Services, Bureau of Insurance;
- H. One member representing the Department of Health and Human Services; and
- I. The chair of the Public Purchasers' Steering Group.

**3. Duties.** The work group shall consider the issues outlined in subsection 1. The work group may:

- A. Hold public hearings to collect information from individuals, hospitals, health care providers, insurers, 3rd-party payors, government-sponsored health care programs and interested organizations;
- B. Consult with experts in the fields of health care and hospitals and public policy; and
- C. Examine any other issues to further the purposes of the study.

**4. Staff assistance.** The Governor's Office of Health Policy and Finance shall staff the work group. The work group shall work in cooperation with the Maine Hospital Association and the Maine Association of Health Plans. The Department of Health and Human Services and the Maine Health Data Organization shall provide additional staff support or assistance as needed.

**5. Report.** The work group shall submit a report and any suggested legislation to the Governor and the joint standing committee of the Legislature having jurisdiction over health and human services matters and the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters no later than November 1, 2006.

**Sec. 8. Review of legislative proposals.** During January 2006 the Joint Standing Committee on Health and Human Services shall review the legislative proposals contained in Legislative Document 1673 from the 122nd Legislature that were not enacted during 2005. The committee is authorized to report out a bill to the Second Regular Session of the 122nd Legislature regarding the proposals and the report of the Commission to Study Maine's Community Hospitals.

See title page for effective date.

---



---

## CHAPTER 395

### S.P. 41 - L.D. 135

#### An Act To Authorize a Tax Rebate Program for Established Residents

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

**Sec. 1. 36 MRSA §191, sub-§2, ¶BB,** as amended by PL 2003, c. 668, §9 and affected by §12 and amended by c. 689, Pt. B, §6, is further amended to read:

BB. The disclosure to an authorized representative of the Department of Health and Human Services, Office of Head Start and Child Care of taxpayer information directly relating to the certification of investments eligible for or the eligibility of a taxpayer for the quality child care investment credit provided by section 5219-Q; ~~and~~

**Sec. 2. 36 MRSA §191, sub-§2, ¶CC,** as enacted by PL 2003, c. 668, §10 and affected by §12, is amended to read:

CC. The disclosure to an authorized representative of the Department of Professional and Fi-