

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)

STATE OF MAINE
125TH LEGISLATURE
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON APPROPRIATIONS AND
FINANCIAL AFFAIRS**

June 2012

MEMBERS:

SEN. RICHARD W. ROSEN, CHAIR
SEN. ROGER J. KATZ
SEN. DAWN HILL

REP. PATRICK S. A. FLOOD, CHAIR
REP. TOM J. WINSOR
REP. KATHLEEN D. CHASE
REP. TYLER CLARK
REP. KENNETH WADE FREDETTE
REP. DENNIS L. KESCHL
REP. MARGARET R. ROTUNDO
REP. JOHN L. MARTIN
REP. DAVID C. WEBSTER
REP. SARA R. STEVENS

STAFF:

MAUREEN DAWSON, PRINCIPAL ANALYST
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1635

STATE OF MAINE

125TH LEGISLATURE
SECOND REGULAR SESSION



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the Second Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

<i>CARRIED OVER</i>	<i>carried over to a subsequent session of the Legislature</i>
<i>CON RES XXX</i>	<i>chapter # of constitutional resolution passed by both houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; legislation died</i>
<i>DIED BETWEEN HOUSES</i>	<i>House & Senate disagreed; legislation died</i>
<i>DIED IN CONCURRENCE</i>	<i>defeated in each house, but on different motions; legislation died</i>
<i>DIED ON ADJOURNMENT</i>	<i>action incomplete when session ended; legislation died</i>
<i>EMERGENCY</i>	<i>enacted law takes effect sooner than 90 days after session adjournment</i>
<i>FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE</i>	<i>emergency failed to receive required 2/3 vote</i>
<i>FAILED, ENACTMENT or FINAL PASSAGE</i>	<i>failed to receive final majority vote</i>
<i>FAILED, MANDATE ENACTMENT</i>	<i>legislation proposing local mandate failed required 2/3 vote</i>
<i>HELD BY GOVERNOR</i>	<i>Governor has not signed; final disposition to be determined at subsequent session</i>
<i>LEAVE TO WITHDRAW</i>	<i>sponsor's request to withdraw legislation granted</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>ruled out of order by the presiding officer; legislation died</i>
<i>INDEF PP</i>	<i>indefinitely postponed; legislation died</i>
<i>ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X</i> ...	<i>ought-not-to-pass report accepted; legislation died</i>
<i>P&S XXX</i>	<i>chapter # of enacted private & special law</i>
<i>PUBLIC XXX</i>	<i>chapter # of enacted public Law</i>
<i>RESOLVE XXX</i>	<i>chapter # of finally passed resolve</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session of the 125th Legislature is Thursday, August 30, 2012. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Appropriations and Financial Affairs

PART GG requires the Department of Health and Human Services to submit a Medicaid state plan amendment effective October 1, 2012, to eliminate Medicaid coverage for individuals who are 19 or 20 years of age, who have incomes less than or equal to 150% of the nonfarm income official poverty line, who do not live with a dependent child and who are not otherwise eligible for Medicaid, subject to a contingency that the department receive a waiver of the maintenance of effort requirements of the federal Patient Protection and Affordable Care Act or is notified that such a waiver is not necessary.

PART HH reduces income eligibility for the Department of Health and Human Services' elderly low-cost drug program from 185% to 175% of the federal poverty level and for the Medicare savings program as follows: for the Qualified Medicare Beneficiary program, to income not more than 140% of the federal poverty level; for the Specified Low-Income Medicare Beneficiary program, to income more than 140% but not more than 160% of the federal poverty level; and for the Qualified Individuals program, to income more than 160% but not more than 175% of the federal poverty level. This Part also provides that the changes in income eligibility levels for the Medicare savings program are subject to the department's receiving written approval of the application for a waiver of the maintenance of effort requirements of the federal Patient Protection and Affordable Care Act or receiving written notification that such a waiver is not necessary.

PART II requires that any balances of appropriations provided for consent decree activities in the Department of Health and Human Services, Mental Health Services - Community program carry forward at the end of each fiscal year to be used in the next fiscal year for the same purpose.

PART JJ provides funds to serve individuals on the waiting list for services for individuals with intellectual disabilities or autism; reduces funding for behaviorally challenged children in a residential setting; provides funds to offset a deappropriation in Committee Amendment "A"; and provides funds to offset a 10% rate reduction in adult family care services in Public Law 2011, chapter 477.

LD 1816

An Act To Implement the Recommendations of the Streamline and Prioritize Core Government Services Task Force for the Fiscal Years Ending June 30, 2012 and June 30, 2013 and To Make Certain Other Allocations and Appropriations and Changes to the Law Necessary to the Operation of State Government

**PUBLIC 477
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP	H-707 FLOOD

This bill represents the Joint Standing Committee on Appropriations and Financial Affairs' unanimous recommendations after reviewing the report of the Streamline and Prioritize Core Government Services Task Force authorized in Public Law 2011, chapter 380, Part KKK. The task force recommendations as amended by the Committee can be found in Parts A through L of this bill.

This bill also includes adjustments to appropriations and allocations and other necessary changes to the laws to address a shortfall within the MaineCare program in the Department of Health and Human Services in fiscal year 2011-12. The fiscal year 2011-12 appropriations to the various MaineCare accounts are offset through deappropriations and transfers in various accounts in each year of the 2012-2013 biennium. The unanimous recommendations of the Committee to address the fiscal year 2011-12 shortfall are contained in Part M to Part II. Some of the initiatives contained in this bill are similar to certain initiatives proposed by the Governor in LD 1746.

House Amendment "D" (H-707)

Joint Standing Committee on Appropriations and Financial Affairs

This amendment:

1. Reduces from \$7,210,000 to \$2,397,939 the amount of the one-time transfer required by Dirigo Health in fiscal year 2012-13 to the Medical Care - Payments to Providers, Other Special Revenue Funds account in the Department of Health and Human Services for the purpose of providing a state match for federal Medicaid services;
2. Corrects the stated effective date of the eligibility reduction for Medicaid services for parents with a maximum income of 200% to a maximum income of 133% of the nonfarm income official poverty line in the Part M initiative reducing the funding in the Medical Care - Payments to Providers account as a result of the one-time transfer. The amendment maintains the amount of the funding reduction in the Part M initiative at \$7,210,000;
3. Eliminates the provision that extends the 1.87% access payment to support the cost of Dirigo Health through June 30, 2013 and allows the rate to decrease to 1.64% on July 1, 2012, as scheduled;
4. Requires the Department of Health and Human Services to submit a plan by June 30, 2013, to transition categorically eligible individuals who are enrolled in the MaineCare childless adult waiver program to available MaineCare coverage options by December 31, 2013;
5. Increases from \$102,000,000 to \$103,500,000 the interfund advance from Other Special Revenue Funds to the General Fund unappropriated surplus required for one day at the end of fiscal year 2011-12;
6. Eliminates the proposed reductions in MaineCare payments to hospitals; and
7. Imposes on each hospital in the State a temporary assessment beginning July 1, 2012, equal to 0.39% of net operating revenue as identified on the hospital's audited financial statement.

Enacted Law Summary

Public Law 2011, chapter 477 results in a net cost to the General Fund of \$5,603,526 and a net savings of \$780,311 to the Fund for a Healthy Maine in the 2012-2013 biennium.

PART A adjusts appropriations and allocations to implement the recommendations of the Streamline and Prioritize Core Government Services Task Force as modified by the Joint Standing Committee on Appropriations and Financial Affairs.

PART B recognizes savings to departments and agencies in the cost of technology as a result of initiatives enacted in Public Law 2011, chapter 380 that reduced personnel costs for the Office of Information Technology. It also recognizes savings from not renewing the Microsoft Enterprise agreement when it expires on May 1, 2012, from changing the manner in which agencies are charged for the use of the financial and personnel data warehouses and from the elimination of positions authorized in Public Law 2011, chapter 380, Part QQQ.

PART C amends the language for general purpose aid for local schools to reduce the targets for the state share percentage of the statewide adjusted total cost of components of essential programs and services and the total cost of funding public education for fiscal year 2011-12. The targets are being reduced to reflect the reduced appropriation for the state agency client budget.

PART D repeals provisions regarding the adjustment for minimum teacher salary that require the Department of Education to increase the state share of the total allocation to a qualifying school administrative unit in the current year by an amount that represents the amount from the state General Fund necessary to achieve the minimum starting salary of \$30,000 for certified teachers.

PART E changes the date the judicial branch is required to submit a plan along with an estimate of the cost to implement electronic filing in civil docket cases to the Joint Standing Committee on Appropriations and Financial

Joint Standing Committee on Appropriations and Financial Affairs

Affairs and the Joint Standing Committee on Judiciary to July 1, 2012.

PART F amends the provision that allows certain children to continue to receive services through the Child Development Services System for an additional year rather than be enrolled in kindergarten by requiring a determination by the child's individualized education program team that it is in the best interest of the child to delay enrollment for one year.

PART G authorizes the State Controller and the Treasurer of State to adopt rules that require payments to certain vendors to be made by direct deposit.

PART H eliminates the requirement that a notice regarding unclaimed property must be published in a newspaper of general circulation in this State.

PART I limits, beginning January 1, 2013, MaineCare reimbursement for buprenorphine and naloxone combination drugs for the treatment of addiction to opioids to 24 months; the 24-month period includes those months occurring prior to January 1, 2013. The 24-month limit may be extended with prior approval by the Department of Health and Human Services. It also requires the MaineCare drug utilization review committee to develop a process and criteria for prior authorization beyond 24 months. It requires the department to track the use of these MaineCare services and document the health outcomes of MaineCare members subject to the limitations and to report on the prior authorization process and criteria and the limitations and health outcomes of persons subject to the limitations to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services.

PART J requires an annual review of all schedule II drug prescriptions written by a physician assistant by a supervising physician.

PART K requires all prescribers in a class of prescriber, such as physicians, dentists or physician assistants, to register in the program if, on January 1, 2014, less than 90% of all prescribers in that class have registered in the program.

PART L changes the stated frequency of the \$2 fee charged by the Department of Health and Human Services for collection of child support payments to specify that the fee is charged on a per pay period basis; clarifies that the fee is directly associated with the collection of the child support payments and may be charged only for the period when the collection actually occurs; specifies that the annual service fee imposed by the State on an individual for whom the State is collecting child support is \$25; and specifies that the nonfederal shares of the \$2 fee and the \$25 annual service fee accrue to the General Fund.

PART M makes adjustments to appropriations and allocations necessary to provide additional funding for projected fiscal year 2011-12 MaineCare spending needs.

PART N implements a statewide All Other deappropriation of executive branch departments and agencies, except those specifically excluded, of approximately 1% of their All Other appropriations.

PART O limits MaineCare reimbursement for opioids to 15 consecutive days, with prior authorization for 2 extension periods of 15 days. It also provides for exceptions to the limitation, which include members who are in treatment for HIV, AIDS or cancer, members who are hospice patients and members who are receiving inpatient treatment in a hospital and provides that, for a member who on April 1, 2012, has been receiving opioids for the treatment of chronic pain for one year or longer continuously, the limitation on maximum MaineCare reimbursement takes effect September 1, 2012.

PART P transfers \$300,000 of revenue from the real estate transfer tax that would otherwise be deposited in the Housing Opportunities for Maine Fund in fiscal year 2012-13 to provide MaineCare seed for targeted case

Joint Standing Committee on Appropriations and Financial Affairs

management services for individuals who are homeless. It also specifies that it is the intent of the Legislature that funding provided by the Maine State Housing Authority from the Housing Opportunities for Maine Fund for individuals who are homeless and those most vulnerable to suffering homelessness will not be reduced as a result of the transfer.

PART Q requires the Commissioner of Administrative and Financial Services to identify and transfer \$2,000,000 in available balances in Other Special Revenue Funds accounts to the General Fund in fiscal year 2011-12. The commissioner is required to work with the other executive branch departments and agencies to determine the accounts from which the balances will be transferred and report to the Joint Standing Committee on Appropriations and Financial Affairs by March 15, 2012.

PART R transfers \$3,000,000 from available balances in Other Special Revenue Funds accounts within the Department of Professional and Financial Regulation to the General Fund at the close of fiscal year 2011-12.

PART S requires the State Controller to lapse \$600,000 from the General Fund Salary Plan program in the Department of Administrative and Financial Services to the unappropriated surplus of the General Fund at the close of fiscal year 2012-13.

PART T transfers \$500,000 from available balances in the Workers' Compensation Board - Reserve Account within the Maine Workers' Compensation Board, Other Special Revenue Funds to the unappropriated surplus of the General Fund at the close of fiscal year 2011-12.

PART U requires the Finance Authority of Maine to transfer \$1,000,000 by June 30, 2012 and \$1,000,000 by June 30, 2013, from the Loan Insurance Reserve Fund to the State as undedicated revenue.

PART V lapses to the General Fund carrying balances from the Legislature and the Law and Legislative Reference Library totaling \$1,404,000 in fiscal year 2011-12. The balances that will lapse to the General Fund represent \$1,083,000 of fiscal year 2010-11 unexpended funds that carried forward and \$321,000 of fiscal year 2011-12 savings based on experience to date.

PART W establishes an adult developmental services working group to develop plans to address the need for efficiencies and savings in the delivery of adult developmental services.

PART X lowers the reimbursement rate for licensed critical access hospitals from 109% to 105% of MaineCare allowable costs beginning April 1, 2012 and repeals reimbursement provisions that conflict with the reduction.

PART Y transfers \$10,000,000 in fiscal year 2011-12 from the Dirigo Health Fund to the Medical Care - Payments to Providers program for the MaineCare seed for the childless adult waiver, and transfers \$472,800 in fiscal year 2011-12 and \$2,556,881 in fiscal year 2012-13 from the Dirigo Health Fund to the Medical Care - Payments to Providers program for the MaineCare seed for Cub Care children in families with incomes greater than or equal to 150% but less than 200% of the nonfarm income official poverty line.

PART Z ends as of September 30, 2012, the current Dirigo Health transfer of funds to the Medical Care - Payments to Providers, Other Special Revenue Funds account in the Department of Health and Human Services for the purpose of providing a state match for federal Medicaid services for parents and caretakers of children from 133% to 200% of the nonfarm income official poverty line and requires a \$7,210,000 transfer in fiscal year 2012-13 from Dirigo Health to the Department of Health and Human Services for the purpose of providing a state match for federal Medicaid services. This Part also extends the current 1.87% access payment rate to support the cost of Dirigo Health through June 30, 2013.

PART AA reduces eligibility for Medicaid services for a parent or caretaker relative of an eligible child from a maximum income of 200% of the nonfarm income official poverty line to a maximum income of 133% of the

Joint Standing Committee on Appropriations and Financial Affairs

nonfarm income official poverty line effective October 1, 2012.

PART BB extends the current freeze on new enrollment in the MaineCare childless adult waiver program through June 30, 2013 in order to reduce the limit on total annual spending for the waiver to \$40,000,000. It also requires quarterly reports on enrollment and spending and requires the Commissioner of Health and Human Services to submit a plan to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over health and human services matters that achieves the necessary savings through a waiver program benefit redesign as the next course of action if the enrollment freeze is insufficient to maintain spending within the \$40,000,000.

PART CC requires the Department of Health and Human Services to amend the rules on MaineCare benefits to require substitution for a brand-name drug of a generic and therapeutically equivalent drug unless the prescriber has indicated that only the brand-name drug may be dispensed and that the brand-name drug is medically necessary and the department has previously authorized dispensing the brand-name drug. It also specifies certain exemptions from the mandatory substitution requirements.

PART DD requires a review of MaineCare reimbursement rates for inpatient substance abuse treatment and inpatient psychiatric treatment provided in community hospital with a reporting deadline of July 1, 2012.

PART EE lowers the amount of racino slot machine revenue that accrues to the Fund for a Healthy Maine in fiscal year 2012-13 from \$4,500,000 to \$2,500,000. This will reduce revenue to the Fund for a Healthy Maine by \$2,000,000 and increase the General Fund share of this revenue by the same amount.

PART FF gives the Department of Health and Human Services the authority to adopt emergency rules to implement any provisions of the bill over which the department has specific authority that has not been addressed by some other part of the bill.

PART GG repeals language requiring the State to use payroll deductions to collect health insurance assessments from Legislators because the mechanism of payroll deduction for Legislators is unavailable during the portion of the year in which the Legislature is not convened in session. This alters only the method of collecting the health insurance assessment; the assessment requirement itself remains unchanged.

PART HH lapses \$5,000,000 from the Bureau of Medical Services account within the Department of Health and Human Services to the unappropriated surplus of the General Fund at the end of fiscal year 2011-12.

PART II increases the interfund advance from Other Special Revenue Funds to the General Fund unappropriated surplus required for one day at the end of fiscal year 2011-12 from \$43,000,000 to \$102,000,000.

Public Law 2011, chapter 477 was enacted as an emergency measure effective February 23, 2012.

LD 1870 An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government To Address Revenue Shortfalls Projected for the Fiscal Year Ending June 30, 2012

**PUBLIC 575
EMERGENCY**

Sponsor(s)

Committee Report

Amendments Adopted

OTP

H-778 FLOOD