

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 scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

LEGISLATIVE RECORD

OF THE

***One Hundred and Eighth
Legislature***

OF THE

STATE OF MAINE

1978

Second Regular Session

January 4, 1978 — April 6, 1978

INDEX

Senate Confirmation Session

June 14, 1978

INDEX

First Special Session

September 6, 1978 — September 15, 1978

INDEX

Second Special Session

October 18, 1978

INDEX

Third Special Session

December 6, 1978

INDEX

APPENDIX

After Recess
4:30 P.M.

The House was called to order by the Speaker.

Orders of the Day

The Chair laid before the House the first tabled and today assigned matter:

Joint Order — Relative to Amending Joint Rule 23 — Cloture (H. P. 2254) Read in House March 15

Tabled — March 15, 1978 (Pursuant to the Rules)

Pending — Passage

Thereupon, the Order received passage and was sent up for concurrence.

The Chair laid before the House the second tabled and today assigned matter:

House Report — "Ought to Pass" — Committee on Marine Resources on Bill, "An Act Making Certain Substantive Revisions to the Marine Resources Statutes" (H. P. 1939) (L. D. 2019)

Tabled — March 15, 1978 by Mrs. Post of Owls Head.

Pending — Acceptance of the Committee Report.

Thereupon, the Report was accepted, the Bill read once and assigned for second reading tomorrow.

The Chair laid before the House the third tabled and today assigned matter:

House Report — "Ought to Pass" as amended by Committee Amendment "A" (H-1161) — Committee on Taxation on Bill, "An Act to Provide for Refunding of Municipal Claims under the Maine Tree Growth Tax Law" (H. P. 1969) (L. D. 2049)

Tabled — March 15, 1978 by Mr. Palmer of Nobleboro.

Pending — Acceptance of the Committee Report

Report was accepted and the Bill read once. Committee Amendment "A" (H-1161) was read by the Clerk.

Mr. Carey of Waterville offered House Amendment "A" to Committee Amendment "A" and moved its adoption.

House Amendment "A" to Committee Amendment "A" (H-1168) was read by the Clerk and adopted.

Mr. MacEachern of Lincoln offered House Amendment "B" to Committee Amendment "A" and moved its adoption.

House Amendment "B" to Committee Amendment "A" (H-1174) was read by the Clerk and adopted.

Committee Amendment "A" as amended by House Amendments "A" and "B" thereto was adopted.

Under suspension of the rules, the Bill was read the second time.

The SPEAKER: The Chair recognizes the gentlewoman from Bridgton, Mrs. Tarr.

Mrs. TARR: Mr. Speaker, I would like someone to explain that amendment.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker and Members of the House: House Amendment "A" to Committee Amendment "A" means that people would still be responsible for paying their taxes, even though they were going to take the state to court on the tax bill. We did not put an interest rate in here should the state lose, because the courts, in all probability, not only will set the penalty to the state, they would also set whatever the interest rate is at that time to go back to the person who had been aggrieved.

Thereupon, the Bill was passed to be engrossed as amended by Committee Amendment "A" as amended by House Amendments "A" and "B" thereto and sent up for concurrence.

The Chair laid before the House the fourth tabled and today assigned matter:

Senate Divided Report — Majority (8) "Ought to Pass" as amended by Committee Amendment "A" (S-538) — Minority (4) "Ought to Pass" as amended by Committee Amendment "B" (S-539) Committee on Health and Institutional Services on Bill, "An Act to Establish the Health Facilities Information Disclosure Act" (S. P. 695) (L. D. 2136) — In Senate, Minority "Ought to Pass" Report Read and Accepted and the bill passed to be engrossed as amended by Committee Amendment "B" (S-539)

Tabled — March 15, 1978 by Mr. Goodwin of South Berwick.

Pending — Acceptance of either Report.

The SPEAKER: The Chair recognizes the gentleman from South Berwick, Mr. Goodwin.

Mr. GOODWIN: Mr. Speaker, I move that we accept the Majority "Ought to Pass" Report and would speak to my motion.

The SPEAKER: The gentleman from South Berwick, Mr. Goodwin, moves that the House accept the Majority "Ought to Pass" Report in nonconcurrence.

The gentleman may proceed.

Mr. GOODWIN: Mr. Speaker, Men and Women of the House: We have before us a fairly complex and, some people have told me, dull issue, and I think it is in a sense, but it also is an issue that has a lot of effect on what we are going to be doing and what the people of this state are going to be doing in terms of paying hospital costs for the next many years.

The Health Facilities Information Disclosure Act is before you from a bill that was originally introduced for the Governor in the last regular session, last year. The Governor's bill that was introduced last year was a bill that was to establish a state rate review board to develop uniform systems of date collection and a mechanism for mandatory rate review, and it had the authority for that board to establish rate review.

During the hearing, the department came in and asked that only the first part of that bill, which is the establishment of a state board, be developed. At that time, it sounded very simple. We thought that it needed some additional work, so we studied the bill over the interim period between the last session and this session. During that time, the Hospital Association came to the committee with an idea that they thought they would like to present to us. That particular idea was to have this state board that is going to be established, and I guess they have no qualms about that, have that state board given the authority or the responsibility to approve voluntary budget review organizations that the hospitals may want to set up.

They came to us with an idea such as 'carrot stick' approach that would say basically that the state board would approve a voluntary organization. If a particular hospital did not get involved in a voluntary organization, that state board would then have the authority to review and comment and act almost like a consumer agency over that particular individual hospital's budget in the hopes that they could maybe embarrass them into lowering their rates or something of that nature, the idea being that most hospitals would not want to have that done to them, so they would go into this voluntary program that would be run by the hospitals and then the hospitals could show us how good they were in being able to hold down their rates and their increased costs and so forth.

It sounded pretty good, and I guess most of the members of the committee decided that it was worth looking into and we continued working with the hospitals on this. So it came down to, after we reported a bill out that had this particular measure in it and then there were subsequent changes that were proposed, subsequent negotiations that went on between the department, our staff and the hospitals, the

problem being over how much authority this particular state board was going to have over the voluntary program, and we finally ended up last week coming with this particular divided report.

What I would like to do is explain briefly the report and what the bill does. First and foremost, and probably the most important, the bill establishes an independent state board. This board is going to be made up of 10 members, 8 of whom will be appointed by the Governor, subject to review by the Joint Standing Committee on Health and Institutional Services and confirmation by the legislature. The Commissioner of Human Services is going to be an ex officio member, voting member, and the Superintendent of Insurance, or his designee, will serve as an ex officio non-voting member. Out of the state board's membership, one member shall be appointed from a list of three names submitted by the Hospital Association, one from three names submitted by the Maine Health Care Association, which is a nursing home group; one member shall have had at least five-years experience in the field of health insurance and the administration of health care service plan; five members shall be appointed as consumers of health care who have no direct affiliation with any health care facility or institution. This board will basically have the responsibility to (1) establish a uniform system of reporting financial and other relevant health care data so that after comparisons can be made among similar types of health facilities, an accurate picture of overall health costs can be made; (2) further have the responsibility to report back to the legislature and Governor on what they find, recommendations that should be done in terms of controlling health care costs.

Subsequent to that, they also, in both reports, have the responsibility to approve voluntary budget review programs, and for those hospitals that don't participate in a voluntary review program, they also have the authority to review and comment on those individual hospitals' budgets.

The majority report differs in the way that it approves a voluntary program. In the majority report, the state board exercises up-front approval of procedures of the voluntary program. In other words, what is going to happen when this bill passes, if it passes, is that the Governor is going to appoint a board and they are going to get started and everything, and the Hospital Association is going to develop a voluntary board and the voluntary program is going to come to the state board and say, we want approval. Under the majority report, that approval will be conditioned upon the voluntary program meeting certain procedural requirements. Then the voluntary program can go ahead and begin to try to control rates and have budgets submitted to them from the hospitals and work on keeping rates down, however they want to develop it, based on the procedures set by the board.

Another important difference with the majority report is that in July 1, 1981, the state board, which will then have the expertise and data necessary, would have the authority to not only review and comment on hospitals that aren't in a voluntary program, but also to mandate rates and budgets for those hospitals, but only for those hospitals that are not involved in a voluntary program. We continue that concept, but if the voluntary program works, we will let it work.

Also in the majority report, one condition for a voluntary program is that the majority of the board of that program be a majority of consumers. In the minority report, only one third has to be consumers.

I feel another major flaw in the minority report that I think is very very important to consider, and I am not a lawyer, but I think it is important to consider, I have discussed this with the Attorney General people, they have