LEGISLATIVE RECORD

OF THE

One Hundred and Eighth Legislature

OF THE

STATE OF MAINE

1978

Second Regular Session
January 4, 1978 — April 6, 1978
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Senate Confirmation Session
June 14, 1978
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First Special Session
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APPENDIX
by government. We don’t believe that we should expand the minimum level of coverage required by the Federal Government until it has been demonstrated that the acquisition of any equipment by any person will not only improve health care in Maine, but will be cost effective. The need for Certificate of Need legislation has largely been due to the excessive cost in the hospital field. Thus, the Certificate of Need Program is directed toward controlling hospital expenditures since hospital costs can be very high.

The Certificate of Need legislation has been enacted in 36 states, 3 of which include provisions favored by the Minority Report. Most Certificate of Need Programs are too new to evaluate their effectiveness in achieving their objectives and many have encountered problems in administering their programs.

Let the process work before we attempt to broaden the definition and go beyond the minimum required by the Federal Government. I think the approach we should take should be a reasonable one and not an overly restrictive one. The majority Report recognizes the proper application of the Certificate of Need process as it was intended by the Federal Government.

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Valium Report: The Chair recognizes the Senator from Penobscot, Senator Trotsky.

Mr. TROTSKY: Mr. President and Members of the Senate, I rise to oppose the acceptance of the majority report and urge the Senate to accept the minority report. The Valium Report has a basic loophole in a law which allows Doctors and clinics, groups of doctors, to purchase expensive equipment even if other institutions might not be able to purchase that equipment, and therefore, in a way get a monopoly in certain instances in the medical field. I agree with the concept of the Certificate of Need and that the Legislation is designed to contain Health Care Costs per requiring review and approval of major capital expenditures for expanding such services.

We know that the cost of a hospital stay has increased dramatically over the past 10 years, but so have the costs of the physician. During the last year we spent $3,4 million for physician services under medicaid. Where the total bill in 1972 was $3,5 million, 52% increase attributed to price increases of medical care alone. We estimate an additional $20 million is paid to physicians by medicare. As I mentioned, LD 213 has a major loophole and under the provisions of this act if there is no approval, the physicians single or in groups would not be required to apply for approval to purchase major pieces of equipment.

I can envision a situation in the future where a hospital was denied permission to purchase a major piece of equipment, yet a doctor who resides in the same community has no such restriction and can purchase equipment for his private patients only. So essentially we are possibly setting up a monopoly here. Secondly as I understand from one of the doctors in Bangor and I have a letter here that catscanner was purchased very quickly and during the last couple of years could not be adapted to body use, in other words, it was purchased for a general purpose. Even if it was never used, if more time had been allowed it is possible that the Eastern Maine Medical Center could have gotten a catscanner, which would have been adaptable to the body itself.

So anyway, I feel strongly that there is a principle involved here that if public monies are going to be used to subsidize physician’s equipment, only that equipment should be purchased. If the physician as a businessman wants to purchase this equipment for his private patients only, there is no penalty, but the department may choose not to reimburse for services to public assisted patients.

In either case, if you select LD 214, the Majority Report in its original form, over the amendment, you will be closing a major loophole contained in L D 213. Make no mistake L D 213 was largely due by or on behalf of the Health Care Facility in excess of $150,000 or more which under general accepted accounting principles constantly applied is a capital expenditure.

Mr. TROTSKY: Mr. President and Members of the Senate, the Senator from Androscoggin mentioned that the Government put through minor loopholes in the Certificate of Need. It should also be aware that one of the biggest lobbies in Washington, is the American Medical Association. In Massachusetts when the Massachusetts House Committee on Health Care looked at this Bill it came out favorably to include Doctors with only one descending vote.