

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1303

H.P. 979

House of Representatives, February 28, 2001

An Act to Increase Access to Health Care.

Reference to the Committee on Health and Human Services suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Speaker SAXL of Portland.

Cosponsored by Senator MARTIN of Aroostook and

Representatives: COLWELL of Gardiner, DUDLEY of Portland, KANE of Saco, MAYO of Bath, Senators: BROMLEY of Cumberland, DOUGLASS of Androscoggin, President MICHAUD of Penobscot, TREAT of Kennebec.

2 **Sec. B-6. Allocation.** The following funds are allocated from
the Federal Expenditures Fund to carry out the purposes of this
Act.

	2001-02	2002-03
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**HUMAN SERVICES,
DEPARTMENT OF**

Bureau of Health

All Other	\$150,000	\$150,000
Provides funding from Maine Health Access Fund for school-based dental health screenings and dental sealants.		

20 **Sec. B-7. Allocation.** The following funds are allocated from
the Federal Expenditures Fund to carry out the purposes of this
Act.

	2001-02	2002-03
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**HUMAN SERVICES,
DEPARTMENT OF**

Purchased Social Services

All Other	\$2,000,000	\$2,000,000
Provides funding from the Maine Health Access Fund for grants to federally qualified health centers to provide direct primary and preventive care to rural and underserved areas of the state and to underserved populations.		

PART C

Sec. C-1. 22 MRSA §258 is enacted to read:

§258. Maine Health Access Fund

There is established the Maine Health Access Fund, referred to in this section as the "fund," as a dedicated fund to provide expanded access to health care.

2 1. Transfers to fund. Beginning November 1, 2001, the
3 State Controller shall transfer to the fund money representing 25
4 mills per cigarette from the tax levied under Title 36, section
5 4365. The fund may also receive funds from other sources that
6 are designated for the fund. To the extent allowable by the
7 terms of any settlement agreement entered into by the State, all
8 funds recovered as a result of litigation with regard to health
9 care must be deposited in the fund. Interest earned on fund
10 balances and investment income on balances in the fund accrue to
11 the fund.

12 2. Nonlapsing. Any unexpended balances in the fund may not
13 lapse but must be carried forward to be used pursuant to
14 subsection 3.

15 3. Payments from fund; contingency reserve. Beginning
16 January 1, 2002 and semiannually thereafter, the Treasurer of
17 State shall report to the joint standing committee of the
18 Legislature having jurisdiction over health and human services
19 matters and the joint standing committee of the Legislature
20 having jurisdiction over appropriations and financial affairs the
21 amount in the fund and the activity in the fund. Ninety percent
22 of the amount in the fund must be allocated by the Legislature
23 for the purpose of access to health care. Ten percent of the
24 amount in the fund must be held in a contingency reserve in the
25 fund for use if expenses for health programs supported by
26 allocations from the fund exceed the allocations. If funds held
27 in the contingency reserve are required for program use to
28 supplement allocations from the fund, the balance in the
29 contingency reserve must be returned to 10% of the fund balance
30 at the time that the next allocations from the fund are made.

31 4. Restriction. Allocations from the fund must be used to
32 supplement and not supplant appropriations from the General Fund
33 and in accordance with subsection 3.

34 5. Investment. Notwithstanding the provisions of Title 5,
35 section 135, the Treasurer of State shall invest and reinvest the
36 funds in the contingency reserve under subsection 3 in accordance
37 with the standards provided in Title 18-A, section 7-302. The
38 Treasurer of State shall develop and implement a prudent and
39 profitable investment plan for balances held in the fund. The
40 plan must maximize return and minimize risk.

41 Sec. C-2. 36 MRSA §4365, as amended by PL 1999, c. 414, §37,
42 is further amended by inserting at the end a new paragraph to
43 read:

44 Beginning November 1, 2001, as a further public health

2 measure, the tax imposed under this section is 62 mills per
3 cigarette. The revenue generated by the tax increase imposed by
4 this paragraph must be deposited in the Maine Health Access Fund
5 established pursuant to Title 22, section 258.

6
7 **PART D**

8
9 **Sec. D-1. Commission to Study the Group Purchasing of Prescription**
10 **Drugs**

11
12 **1. Commission established.** The Commission to Study the
13 Group Purchasing of Prescription Drugs, referred to in this
14 section as the "commission," is established.

15
16 A. The commission shall study the group purchasing of
17 prescription drugs, with the goals of expanding access to
18 prescription drugs, increasing efficiency in purchasing and
19 decreasing the prices paid by consumers and 3rd-party
20 payors. The commission shall consider the formation of a
21 group that would include public and private health insurance
22 and health benefit programs, with the limitation that no
23 group would be required to participate unless the costs for
24 the group and its members for prescription drugs are
25 decreased as a result of group purchasing.

26
27 B. The commission shall make recommendations regarding
28 group purchasing, with the goal of implementing a group
29 purchasing initiative that includes the maximum number of
30 consumers in the State no later than July 1, 2002.

31
32 **2. Membership.** The commission consists of 11 members.

33
34 A. The President of the Senate shall appoint:

35
36 (1) Three members of the Senate, at least one of whom
37 must be from each of the 2 major political parties;

38
39 (2) One person representing the State Employee Health
40 Commission and one person representing statewide
41 organizations of consumers of health care services.

42
43 B. The Speaker of the House of Representatives shall
44 appoint:

45
46 (1) Three members of the House, at least one of whom
47 must represent the minority party; and

48
49 (2) One person representing the University of Maine
50 System and one person representing the Maine Education
Association.

2 assistance from the commission staff, shall administer the
3 commission budget. Within 10 days after its first meeting, the
4 commission shall present a work plan and proposed budget to the
5 Legislative Council for its approval. The commission may not
6 incur expenses that would result in the commission's exceeding
7 its approved budget. Upon request from the commission, the
8 Executive Director of the Legislative Council or the executive
9 director's designee shall provide the commission chairs and staff
10 with a status report on the commission budget, expenditures
11 incurred and paid and available funds.

12 SUMMARY

13
14 This bill contains a number of provisions to expand access
15 to health care and increase the cigarette tax. This bill also
16 does the following:

17
18 1. It increases income eligibility for the Medicaid program
19 for parents and caretaker relatives of children receiving
20 Medicaid coverage from 150% to 200% of the nonfarm income
21 official poverty line;

22
23 2. It provides eligibility for Medicaid coverage to
24 noncategorically eligible adults with an income up to 200% of the
25 federal nonfarm official poverty line and to self-employed
26 persons and sole proprietors and members of their immediate
27 families on a buy-in basis;

28
29 3. It increases the income eligibility for children in the
30 Cub Care program from 200% to 300% of the federal nonfarm
31 official poverty line;

32
33 4. It provides for an enrollment period in the Cub Care
34 program of 12 months;

35
36 5. It provides asset exemptions in the Medicaid program for
37 adults for certain 2nd vehicles, certain savings accounts, life
38 insurance, educational savings and savings for a single person or
39 married person living alone of \$8,000 and for married persons
40 living together of \$12,000. The bill requires the Department of
41 Human Services to implement an electronic benefit transfer system
42 for the delivery of services under the Medicaid program by
43 October 1, 2001;

44
45 6. It requires the Department of Human Services to
46 implement an electronic application system that will receive
47 applications electronically and provide electronically a
48 preliminary determination of eligibility;

50

2 7. It provides for 12-month enrollment periods in the
3 Medicaid program for children and for adults to the extent
4 possible under federal law or pursuant to a waiver;

6 8. It requires outreach services, including Medicaid
7 managed care ombudsman services, under the Medicaid and Cub Care
8 programs and provides for the Department of Human Services to
9 contract with independent entities, including participating
10 insurance producers for outreach services and an independent
11 nonprofit entity to provide the toll-free telephone number
12 services;

14 9. It expands the basic component of the elderly low-cost
15 drug program to cover cancer drugs. This means that prescription
16 drugs for cancer will be provided to the consumer with a maximum
17 co-pay of 20%;

18 10. It requires the Department of Human Services to amend
19 the rules allowing persons with disabilities to purchase coverage
20 in the Medicaid program. The rules must maintain income
21 eligibility limits while removing separate limits of earned and
22 unearned income and provide eligibility for employed persons who
23 have a medically improved disability;

24 11. It allocates funds from the Maine Health Access Fund
25 for dental health screenings and dental sealants of \$150,000 in
26 each year;

28 12. It directs the Department of Human Services, Bureau of
29 Health to undertake an initiative to expand access to primary and
30 preventive health care. It appropriates \$2,000,000 in each year
31 for the support of the community health centers and the federally
32 qualified health center look-alikes. Because some of this
33 funding will be used for Medicaid match to federal funds, the
34 bill also allocates matching federal funding;

36 13. It appropriates \$10,000 in each year to be used as the
37 match for federal funds available for the Department of Human
38 Services, Bureau of Health, Office of Health, Data and Program
39 Management and funding for the Office for Rural Health and
40 Primary Care;

42 14. It requires the Department of Human Services to pursue
43 the recovery of overcharges by prescription drug manufacturers
44 through the Medicaid program;

46 15. It establishes the Maine Health Access Fund to receive
47 funds from the tobacco tax increase and to allocate those funds
48 to health care expansion initiatives;

50

2 16. It increases the tobacco tax by 25 mills per cigarette,
which equals 50¢ for each package of cigarettes beginning
4 November 1, 2001 and dedicates the tax increase to the Maine
Health Access Fund; and

6 17. It establishes the Commission to Study the Group
Purchasing of Prescription Drugs.