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Date: (Filing No. S-)

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STATE OF MAINE
SENATE
130TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT “ ” to COMMITTEE AMENDMENT “C” to S.P. 158, L.D. 372, “An Act To Provide Maine Children Access to Affordable Health Care”

Amend the amendment by inserting after the title the following:

'Amend the bill by striking out the title and substituting the following:

'An Act To Establish the Hospital System Loan Fund Program' '

Amend the amendment by striking out everything after the title and inserting the following:

'Amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this legislation needs to take effect before the expiration of the 90-day period in order to provide financial assistance to hospitals as soon as possible so that they may continue to provide vital services to the residents of this State; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. Hospital System Loan Fund Program. Notwithstanding any provision of law to the contrary, the Hospital System Loan Fund Program, referred to in this section as "the program," is established within the Finance Authority of Maine, referred to in this section as "the authority," for the purpose of alleviating hardship on hospitals as a result of loan payments due as a result of the Medicare accelerated payment program in 42 United States Code, Section 1395g(f)(2)(C). For an applicant to participate in the program, the applicant must demonstrate to the satisfaction of the authority that the applicant faces a repayment to the Medicare program in 2022 pursuant to the Medicare accelerated payment program of more than \$12 million and less than \$18 million as of June 1, 2022; faces repayment obligations that would otherwise constitute a hardship to the hospital pursuant

SENATE AMENDMENT

1 to 42 United States Code, Section 1395ddd(f)(1); and has less than 60 days' cash on hand
2 as of May 1, 2022.

3 **1. Hospital System Loan Fund.** The Hospital System Loan Fund, referred to in this
4 section as "the fund," is created as a nonlapsing, interest-earning, revolving fund to carry
5 out the purposes of this section.

6 A. The authority may receive, invest and expend on behalf of the fund money from
7 gifts, grants, bequests, loans and donations in addition to money appropriated or
8 allocated by the State. Money received by the authority on behalf of the fund must be
9 used for the purposes of this section. The fund must be maintained and administered
10 by the authority.

11 B. Applications to participate in the program must be made available by the authority
12 no later than June 1, 2022 and decisions must be made no later than July 1, 2022 and
13 any loans must be issued by the authority by August 1, 2022.

14 C. The total amount of funding to be distributed by the authority from the fund may
15 not exceed \$12 million. Multiple loan applications must result in a proration of funds.

16 D. The repayment term for a borrower is 24 months and the interest rate is zero. The
17 loan must be repaid by a borrower in equal monthly installments beginning one month
18 after receipt of funds. There is no penalty for early repayments. Any amounts
19 remaining unpaid after 24 months must be recovered as a reduction to the first
20 supplemental pool payment to the loan recipient made pursuant to rule Chapter 101:
21 MaineCare Benefits Manual, Chapter III, Section 45.04 following the end of the 24-
22 month repayment period.

23 E. A borrower receiving a loan shall participate in the Medicaid program during the
24 term of the loan. Any unpaid amount of the loan must be repayable by the borrower
25 within 30 days of the borrower no longer being a Medicaid provider. The authority
26 shall notify the Department of Health and Human Services of the loan recipients. The
27 department shall notify the authority if during the term of the loan a borrower receiving
28 the loan no longer participates in the Medicaid program.

29 F. Beginning August 1, 2024 and quarterly thereafter, the authority shall transfer the
30 repaid principal balance to the Reserve for FAME Hospital - Hospital System Loans
31 General Fund account established in section 2.

32 G. Costs and expenses incurred by the authority, including but not limited to
33 maintaining, servicing and administering the fund, may be paid out of the fund.

34 **2. Administration; rules.** The program and the fund are administered by the
35 authority. The authority may adopt rules to carry out the purposes of this section. Rules
36 adopted pursuant to this subsection are routine technical rules pursuant to the Maine
37 Revised Statutes, Title 5, chapter 375, subchapter 2-A.

38 **3. Report.** The authority shall report to the State Controller on loan disbursements
39 and loan repayments annually, beginning on July 1, 2023, and upon the transfer of funds.

40 **Sec. 2. Reserve for FAME Hospital - Hospital System Loans account**
41 **established.** Notwithstanding any provision of law to the contrary, the State Controller
42 shall establish the Reserve for FAME Hospital - Hospital System Loans General Fund
43 account.

1 **Sec. 3. Transfer from MaineCare Stabilization Fund.** Notwithstanding any
 2 provision of law to the contrary, at the close of fiscal year 2021-22, the State Controller
 3 shall transfer \$12 million from the available balance in the MaineCare Stabilization Fund
 4 Other Special Revenue Funds account within the Department of Health and Human
 5 Services to the General Fund unappropriated surplus.

6 **Sec. 4. Transfer from General Fund unappropriated surplus; FAME
 7 Hospital - Hospital System Loan Fund account.** Notwithstanding any provision of
 8 law to the contrary, at the close of fiscal year 2021-22, the State Controller shall transfer
 9 \$12 million from the unappropriated surplus of the General Fund to the Finance Authority
 10 of Maine's FAME Hospital - Hospital System Loan Fund Other Special Revenue Funds
 11 account.

12 **Sec. 5. Transfer from Reserve for FAME Hospital - Hospital System Loans
 13 account; MaineCare Stabilization Fund.** Notwithstanding any provision of law to
 14 the contrary, at the close of fiscal year 2024-25, the State Controller shall transfer the
 15 balance in the Reserve for FAME Hospital - Hospital System Loans General Fund account
 16 to the MaineCare Stabilization Fund Other Special Revenue Funds account within the
 17 Department of Health and Human Services.

18 **Sec. 6. Appropriations and allocations.** The following appropriations and
 19 allocations are made.

20 **FINANCE AUTHORITY OF MAINE**

21 **Hospital - Hospital System Loans Fund N962**

22 Initiative: Provides one-time allocation for the Hospital - Hospital System Loans Fund
 23 program.

24 OTHER SPECIAL REVENUE FUNDS	2021-22	2022-23
25 All Other	\$0	\$12,000,000
26		
27 OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$12,000,000

28
 29 Amend the bill by adding before the summary the following:

30 **'Emergency clause.** In view of the emergency cited in the preamble, this legislation
 31 takes effect when approved.' '

32 Amend the amendment by relettering or renumbering any nonconsecutive Part letter or
 33 section number to read consecutively.

34 **SUMMARY**

35 This amendment establishes the Hospital System Loan Fund Program within the
 36 Finance Authority of Maine. The program is established to alleviate the hardship of
 37 hospitals resulting from loan payments through the Medicare accelerated payment
 38 program. The amendment also transfers \$12 million from the MaineCare Stabilization
 39 Fund to the unappropriated surplus of the General Fund and transfers \$12 million from the
 40 unappropriated surplus of the General Fund to the Finance Authority of Maine's FAME
 41 Hospital - Hospital System Loan Fund Other Special Revenue Funds account. Beginning

1 August 1, 2024, the Finance Authority of Maine must transfer quarterly the repaid principal
2 balance to the Reserve for FAME Hospital - Hospital System Loans General Fund account.

3 **SPONSORED BY:** _____

4 (Senator **BREEN, C.**)

5 **COUNTY: Cumberland**