

Maine's Healthcare Trustee

Hospitals faced difficult but productive legislative session

The First Regular Session of the 121st Legislature included a number of challenges for hospitals.

The session included attempts to limit Medicaid funding, multiple bills dealing with health care costs and quality, nurses' union's legislative initiatives on staffing ratios, mandatory overtime, and latex bans, challenges to tax-exempt status, commercial insurance payments, vulnerable payments for hospital mental health services, extending Medicaid rates of payment to hospitals for all state inmates, economic credentialing/privileging of physicians, and, of course, the dominating Dirigo Health Care reform package.

Below is a summary of the final status of many of the key bills MHA was involved with over the course of the session. Details will be featured on MHA's website at <http://www.themha.org/pages/advocacy/advocacy1.htm>. Later this summer, MHA will publish a final report of the bills the association tracked.

Dirigo Health: As originally introduced, LD 1611, "An Act to Provide Affordable Health Insurance to Small Businesses and Individuals and To Control Health Care Costs," contained a number of provisions that were unacceptable to hospitals. After marathon negotiations between MHA and Gov. **John E. Baldacci's** staff, a compromise was reached. MHA neither supported or opposed the final bill.

Health Care Costs/Health Care Quality: Opposition from MHA helped defeat two bills, LD 112 and LD 434 that would have required hospitals to publish price lists. A third bill, LD 497, "Resolve, to Study the Feasibility and Effectiveness of Providing Consumers with Consumer Reports on Health Care Services," which MHA monitored, was carried over. Yet another bill, LD 857, An Act to Provide Maine Consumers Information about the Cost and Quality of Health Care Services in Maine, would have required the Maine Health Data Organization to collect quality data and produce periodic quality and cost of medical care reports for consumers' use in determining their medical care needs. The bill also required the Maine Health Data Organization to produce similar reports for medical care rendered in the state compared to medical care rendered in other states in the region. This bill also requires hospitals and certain other health care institutions to develop, maintain and release a price list of the 15 most common services involving inpatient stays and outpatient procedures rendered for use by consumers for their medical care needs. This bill also required medical doctors and osteopaths to develop, maintain and release a price list of at least the 15 most common procedures rendered by that professional for use by consumers for their medical care needs. MHA opposed LD 857 and it was defeated.

Insurance: MHA backed two insurance-related bills that passed this session. LD 423, An Act to Improve the Process of Credentialing Health Care Providers, passed as amended. Amendment retains the general requirement that carriers make credentialing decisions within 60 days of receiving a completed application from a provider, but allows a carrier to extend the period for up to another 120 days upon written notice to the provider if information within the application needs verification. It requires carriers to review the application and return it once for all corrections and clarifies that the application is not complete until all corrections are made. The amendment also removes the provision making credentialing decisions retroactive to the date the carrier received the completed application. The amendment gives authority to

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*Representing
community hos-
pitals, healthcare
organizations
and the patients
they serve.*

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the Department of Professional and Financial Regulation, Bureau of Insurance to amend its rules to conform to these requirements. LD 897, An Act Concerning Health Insurance Reimbursement and Contracting Practices, also passed as amended. The amendment requires health carriers to give providers 60 days notice of substantive amendments to provider agreements with certain exceptions. The parties may waive the notice requirement by mutual agreement. The amendment further requires limits on health insurers' retrospective denials of previously paid claims to 18 months from the date of payment with certain exceptions. The amendment permits carriers to refuse to accept claims not submitted on standardized claim forms approved by the Federal government. The amendment requires that providers with 10 or more full-time-equivalent employees file claims electronically in order to claim interest, pursuant to the statute requiring health insurers to pay interest if an undisputed claim is not paid within 30 days of submission, beginning in 2005. Finally, it permits the Superintendent of Insurance to adopt rules that set a minimum amount of interest payable to health care providers, pursuant to the statute requiring health insurers to pay interest if an undisputed claim is not paid within 30 days of submission, before a payment must be issued. MHA opposed an attempt to eliminate Bureau of Insurance geographic restrictions as proposed in LD 428 and the bill was carried over.

Medicaid: A resolve, LD 332, that would have barred the state from using MaineCare dollars to reimburse hospitals for advertising costs and impose severe penalties if economic credentialing occurred, died. MHA opposed the measure.

Mental Health: MHA opposed LD 156, which would have required that patients in private psychiatric hospitals receive the same rights as patients in public psychiatric hospitals, saying that it was unnecessary because the requirements of the legislation already exist in state licensing regulations. The bill was carried over pending the outcome of court cases. LD 480, Resolve, to Maintain Flexibility and Safety in Caring for People with Severe and Persistent Mental Illness, also opposed by MHA, died as well.

Miscellaneous: An attempt to create a commission to study the impact of Critical Access Hospitals on the cost of health care, LD 1156, and opposed by MHA, was killed.

Public Health: MHA supported an amendment to LD 846 that protects hospitals that are directed to quarantine and treat people against their will during and extreme public health emergency. The amended bill passed the legislature.

Tax Exempt: Two bills that MHA opposed and threatened the property tax exempt status of nonprofits were killed. LD 855 would have required charities meet certain standards to retain their tax exempt status and LD 1080 would have allowed municipalities to levy service fees on nonprofits.

Workforce: Much of MHA's focus this session was on workforce issues. MHA fought an attempt by the nurses' union to establish minimum staffing ratios in LD 616, which was carried over to give new rules time to become effective. MHA was instrumental in softening an attempt to ban latex gloves in LD 767. That resolve directs the Bureau of Health to adopt rules requiring the development of protocols regarding the use of latex gloves. It directs the Bureau of Health to report back to the Health and Human Services Committee regarding the rules, the development of protocols, the anticipated impact of the protocols and whether legislation is required to further address allergies to latex gloves by January 30, 2004. It designates the rules as routine technical rules. It removes responsibility for rulemaking regarding latex gloves protocols for commercial and industrial sites and state agencies from the Bureau of Health and instead requires the Department of Labor to study such uses and recommend legislation. MHA opposed LD 71, which would have banned the use of strikebreakers. That bill was carried over. LD 510, An Act to Reimburse Employees for Attorney's Fees and Costs When Forced To Pursue Petitions for Payment of Medical Services, opposed by MHA, was killed. An attempt to require paid family and medical leave, LD 1185, and a bill that would have extended the state family leave requirements to reflect those required in the federal statute, LD 1193, were both killed.

MHA Contact: Mary Mayhew
David Winslow is new MHA vice president

David Winslow, currently director of finance and reimbursement at the Bureau of Medical Services (Medicaid), joined MHA on Monday, July 28th as a new vice president.

Winslow will lead the association's efforts in health care finance as well as other health policy areas such as certificate of need. This new position is the result of MHA's reorganization recently announced.

A Maine native, Winslow from 1991-93 worked in the House Minority Office at the Maine Legislature. He began work at the Department of Human Services in 1993 when he served as assistant deputy commissioner of management and budget until 1995. From 1995 through 2001 he was the Department's director of legislative and public affairs, working for then Commissioner **Kevin Concannon**. In 2002, Winslow was named director of finance and reimbursement for Medicaid.

"David brings to us extensive public policy, government and advocacy experience along with his knowledge of Medicaid, CON and health care finance," said MHA President **Steven Michaud**. "That blend will serve us well and he will be an outstanding addition to our team here." **MHA Contact: Steven Michaud**

Save the dates: Health Policy Forum October 16,
CEO Workshop October 17

Mark your calendars for the Fourth Annual Health Policy Forum, Thursday, Oct. 16, at the Harraseeket Inn in Freeport.

The forum will be followed by the Annual CEO Workshop on Friday, Oct. 17.

The Health Policy Forum brings together health care leaders, legislators, government officials and business leaders to discuss the issues and challenges facing Maine's health care system.

Invitations will be sent in August.

MHA Contact: Carol Sinclair

Bisson helps members move

MHA members, including corporate members, can participate in a discount moving program through Bisson Moving and Storage.

The discount, offered through Associated Health Resources, MHA's for-profit subsidiary, is offered to member hospitals, their employees and MHA Corporate Affiliates.

"Hospital's First" moving program is applicable on company paid moves, private relocations, office and commercial moves. The program offers substantial discounts and preferred services on local and interstate facility, office and household moves.

For additional information please contact **Tammy Butts** at MHA or **Brian Hughes** of Bisson Moving 800-370-8469 or bhughes@movebisson.com.

MHA Contact: Tammy Butts

Dick Davidson visits Franklin Memorial

Dick Davidson, president of the American Hospital Association, was in Farmington on July 20 to present the Living the Vision award to Franklin Memorial Hospital for its commitment to community health.

The presentation was part of Franklin's dedication ceremonies and open house to celebrate the completion of its two-year renovation and expansion project.

The \$12.5 million project includes a new state-of-the-art ambulatory care center; major improvements in areas for medical procedures and clinics on the hospital's first floor; renovations of the surgical suite; new family-centered birthing and pediatrics units; a new education center; and a permanent helipad with closer and safer access to the emergency room.

"The Carolyn Boone Lewis Living the Vision Awards are presented to organizations and individuals living AHA's vision of 'a society of healthy communities where all individuals reach their highest potential for health,'" said Davidson in making the announcement of the award. "An important element of the award is that a hospital must be recognized as a leader and nominated by others (their peers) in the health care field."

While up to four Living the Vision Awards may be presented each year, Franklin Memorial Hospital is the only winner this year among the nation's 5,000 hospitals.

MHA Contact: Becky Schnur

/// People ///

Mary-Anne Ponti will leave her position as vice-president of nursing and patient care services at Penobscot Bay Medical Center on Aug. 8. After seven-and-a-half years at Pen Bay, she will join the staff St. Mary's Regional Medical Center as vice president of nursing. Ponti is a former member of the MHA Board of Directors... **Wayne Printy** is the new chief financial officer at both St. Andrews Hospital and Healthcare Center and Miles Memorial Hospital. Printy most recently served as chief information officer for both St. Andrews and Miles hospitals. In his new position, Printy will oversee financial operations at both institutions. Before joining Lincoln County Administrative Services (LCAS,) which manages both financial and information systems for St. Andrews and Miles, Printy served in a financial management capacity as a vice president for 12 years at National Medical Enterprises (now Tenet Healthcare). He also held controller and consultant positions with various health care organizations... **Helen Morrison** is Mercy Hospital's new vice president of patient care services. Her responsibilities include oversight of the nursing department, infection control, nursing informatics, quality improvement and staff development. She has more than 25 years of nursing experience in wide variety of settings. Before coming to Mercy, Morrison was assistant administrator for patient care services at the University of Washington Medical Center in Seattle... **Erika Latti**, a high honors nursing student at Northern Maine Technical College in Presque Isle, is the first recipient of the Marge Haines/TAMC Memorial Nursing Scholarship Award. Latti, who will be a senior, was recognized at a recent Nurses' Day luncheon held at Community General Hospital in Fort Fairfield where Haines spent most of her long time nursing career. In 2000, nurses at The Aroostook Medical Center joined together to create the Scholarship to honor the late registered nurse **Marge Haines** and to provide a vehicle to support nursing education. Support of the scholarship was extended by fundraisers and gifts from the medical staff, board of directors, and staff at The Aroostook Medical Center. The scholarship will be awarded annually to a full-time nursing student entering his or her senior year at Northern Maine Community College and intending to practice his or her profession in Aroostook County.

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Three people who received kidney transplants at Maine Medical Center's Maine Transplant Program were in France in July to help demonstrate the miracle of organ and tissue transplantation. Along with 300 other recipients of life-saving organ and tissue transplants and their supporters, the three Mainers were part of Team USA at the XIV World Transplant Games in Nancy, France. **Ruth Farabee Clark** of Durham, **Mark DeWever** of Portland and **Greg Genlinas** of Portland all received transplants at MMC from living donors. They joined 1,500 recipients of kidney, heart, lung and other organ and tissue transplants from 70 countries, competing in swimming, track and field, tennis, cycling, volleyball, golf and more...Northern Maine Medical Center is preparing for their annual Tour de La Vallee bicycle ride, a fundraiser for the Edgar J. (Guy) Paradis Cancer Fund, on Aug. 17. The fund, a service of NMMC, provides support services to St. John Valley cancer survivors and their families. Best known for providing financial assistance for travel and lodging expenses to family members, the fund assures that cancer survivors do not have to be alone when treatment requires travel. The bike tours range in distance from 25 miles to 100 miles. All tours begin and end at the hospital...Maine Coast Memorial Hospital broke ground for a new \$10.2 million expansion project. At the ceremony, **F. Eugene Dixon, Jr.** pledged another quarter of a million dollars bringing his and his wife's total gift to the \$10 million project to \$2 million. The three story, 25,000 square foot project is the third and largest in the hospital's 47-year history. The focal points of the project will be a new surgical center on the hospital campus. This new surgical unit will provide the hospital's 22 surgeons and the citizens of Downeast Maine with four new operating rooms with accompanying inpatient and outpatient support areas. The new surgical facility will replace the current two operating rooms and a procedure room built when the hospital was new in 1956. The project also includes a new intensive care unit and food service facility. More information on the groundbreaking can be found at: <http://www.mcmhospital.org/>...The St. Joseph Hospital Auxiliary presented a \$25,000 check to Sister **Mary Norberta**, president and CEO of St. Joseph Healthcare at the Auxiliary's annual meeting on May 13. The funds have been designated to offset the construction costs of St. Joseph Hospital's Cardiac Catheterization Lab Family Waiting Area...Southern Maine Medical Center and Northeast Mobile Health Services have donated seven automated external defibrillators (AEDs) to the York County Sheriff's department. The two health care organizations also provided the training to use the devices. The American Heart Association estimates that making AEDs available in the community raises survival rates for out-of-hospital cardiac arrest from less than 5 percent to as high as 50 percent...Spring Harbor Hospital in South Portland and Spring Harbor Counseling in York have earned accreditation for the next three years from the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). The network received a score of 94 out of 100 on the survey of 572 JCAHO standards. Joint Commission surveyor **David Resnik**, MD, said, "I survey a lot of psychiatric hospitals like this, and in terms of care and sophistication regarding treatment planning and your approach to patients, this hospital is in the upper echelon." He added, "Your performance is reflected in our scoring"...Spring Harbor Hospital's annual report is available on line at <http://www.springharbor.org/pdf/2002annualreport.pdf>.

Visit MHA's Maine Center for Healthcare Governance for timely information and resources designed to help you become a more informed and effective board member. You can access the Center by visiting MHA's website at www.themha.org/pages/governance.htm