

129th MAINE LEGISLATURE

SECOND REGULAR SESSION-2020

Legislative Document

No. 1961

H.P. 1405

House of Representatives, January 8, 2020

An Act To Establish the Trust for a Healthy Maine

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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

ROBERT B. HUNT

R(+ B. Hunt

Clerk

Presented by Representative KESCHL of Belgrade.

Cosponsored by Senator SANBORN, L. of Cumberland and

Representatives: BRENNAN of Portland, DILLINGHAM of Oxford, MILLETT of Waterford, PERRY of Calais, STEWART of Presque Isle, Senators: GRATWICK of Penobscot, President JACKSON of Aroostook, VITELLI of Sagadahoc.

1	Be it enacted by the People of the State of Maine as follows:				
2	Sec. 1. 5 MF	RSA §12004-G, sub-§1	14-J is enacted to read:		
3	<u>14-J.</u>				
4 5	<u>Health</u>	Trust for a Healthy Maine Board	Expenses Only	22 MRSA §1515	
6 7	Sec. 2. 22 M following to read:	RSA c. 260-A, sub-c.	1 is enacted by adding	before section 1511 the	
8	SUBCHAPTER 1				
9	FUND FOR A HEALTHY MAINE				
10 11	Sec. 3. 22 MRSA §1511, sub-§2, as enacted by PL 1999, c. 401, Pt. V, §1, is amended to read:				
12	2. Sources of fund. The State Controller shall credit to the fund:				
13 14 15 16	A. All If the Trust for a Healthy Maine established in section 1515 is repealed or dissolved, all money received by the State in settlement of or in relation to the lawsuit State of Maine v. Philip Morris, et al., Kennebec County Superior Court, Docket No. CV-97-134;				
17 18	B. Money from any other source, whether public or private, designated for deposit into or credited to the fund; and				
19	C. Interest earned or other investment income on balances in the fund-; and				
20 21	D. If the Trust for a Healthy Maine established in section 1515 is repealed or dissolved, all money transferred from the trust to the fund.				
22	Sec. 4. 22 M	RSA c. 260-A, sub-c.	2 is enacted to read:		
23		SUBCE	HAPTER 2		
24		TRUST FOR A HE	ALTHY MAINE A	<u>CT</u>	
25	§1513. Short title	:			
26	This subchapter may be known and cited as "the Trust for a Healthy Maine Act."				
27	§1514. Definition	<u>s</u>			
28 29	As used in the terms have the following		ne context otherwise i	ndicates, the following	

1. Administrative costs. "Administrative costs" means staffing, overhead and related operational costs incurred by the trust in carrying out its duties under this subchapter.

- 2. Allocation. "Allocation" means a legally binding decision of the trust governing how settlement funds are to be distributed by the trust for the purposes set forth in this subchapter.
- 3. Board. "Board" means the Trust for a Healthy Maine Board established under Title 5, section 12004-G, subsection 14-J.
- **4. Coordinator.** "Coordinator" means the coordinator of the Trust for a Healthy Maine under section 1519, subsection 2.
- 5. Designated agent. "Designated agent" means an entity with which the department has entered an agency relationship for the purpose of applying for federal funds to support public health research and programming and that is authorized by the Federal Government to receive those funds.
 - **6. Medical care.** "Medical care" means direct medical care, including but not limited to care provided under the MaineCare program and the prescription drug program established under section 254-D. "Medical care" does not include treatments provided under the Tobacco Prevention and Control Program established in section 272.
 - 7. Settlement funds. "Settlement funds" means any money received by the State or any component of the State in settlement of or in relation to the lawsuit State of Maine v. Philip Morris, et al., Kennebec County Superior Court, Docket No. CV-97-134.
 - 8. State health improvement plan. "State health improvement plan" means the most recent plan regarding state health improvement submitted by the Department of Health and Human Services, Maine Center for Disease Control and Prevention for accreditation by a nonprofit public health accreditation board dedicated to advancing the continuous quality improvement of tribal, state, local and territorial health departments or any successor plan identified by the Maine Center for Disease Control and Prevention.
 - **9.** Trust. "Trust" means the Trust for a Healthy Maine established in section 1515.
- **10. Trustee.** "Trustee" means a member of the board.
- 11. Trust fund. "Trust fund" means the Trust for a Healthy Maine Trust Fund established in section 1520-E, subsection 1.

§1515. Trust for a Healthy Maine; Trust for a Healthy Maine Board

1. Establishment; purposes. The Trust for a Healthy Maine is established for the purposes of receiving all settlement funds and other funds, redistributing that money to state agencies or designated agents of the State to fund tobacco use prevention and control at levels recommended by the United States Department of Health and Human Services, Centers for Disease Control and Prevention and to ensure adequate resources for other disease prevention efforts and promoting public health. The purposes of the

1 trust also include supporting state agencies in planning and delivering public health and 2 prevention programs and services, supporting accreditation of the Department of Health 3 and Human Services, Maine Center for Disease Control and Prevention and supporting 4 public health workforce development. The trust also provides public health expertise and 5 evidence-based information to the Legislature. 6 2. Governance; board. The trust is created as a body corporate and politic and a public instrumentality of the State and is governed by the Trust for a Healthy Maine 7 Board in accordance with this subchapter. 8 9 3. Trustees; appointment. The board consists of 16 trustees appointed in 10 accordance with this subsection. A person who stands to benefit from the tobacco, vaping, alcohol or marijuana industry is not eligible to serve as a trustee. 11 12 A. The Governor shall appoint: 13 (1) The Director of the Maine Center for Disease Control and Prevention within 14 the Department of Health and Human Services or the director's designee; (2) A person who has clinical expertise or public health expertise, or both, in the 15 science and prevention of addiction as a brain disease, selected from 16 recommendations provided by a statewide organization dedicated to supporting 17 physicians, advancing the quality of medicine and promoting the health of 18 citizens in the State; 19 20 (3) A person who is an employer with experience recruiting and retaining a healthy workforce; and 21 22 (4) A person who has experience as a member of an advisory board of a local community health coalition, selected from recommendations provided by a 23 statewide network of community coalitions working to enhance physical, social, 24 25 emotional, environmental and economic health in the State. B. The President of the Senate shall appoint: 26 27 (1) A member of the Senate who serves on the joint standing committee of the Legislature having jurisdiction over health and human services matters: 28 (2) A person who has expertise in epidemiology and infectious disease, or in 29 hospital-based prevention, screening and early prevention of infectious disease, 30 selected from recommendations provided by the integrated health care delivery 31 32 systems in the State and by a statewide hospital organization that provides 33 advocacy, information and education in its mission to improve the health of 34 patients and communities; and 35 (3) A person who has clinical expertise or public health expertise, or both, in 36 rural primary care, selected from recommendations provided by a statewide 37 organization that represents community health centers in the State. C. The Speaker of the House of Representatives shall appoint: 38

financial affairs;

(1) A member of the House of Representatives who serves on the joint standing committee of the Legislature having jurisdiction over appropriations and

39

1 2 3 4	(2) A person who has expertise in public health policy related to the leading causes of chronic disease, selected from recommendations provided by a statewide, nonprofit membership organization that promotes a healthy State through advocacy, education, community connection and coalition-building; and		
5 6	(3) A person who has expertise in preventing the use of nicotine or tobacco and other addictive substances by youth and young adults.		
7 8	D. The member of the Senate who is the leader of the party with the 2nd largest number of members in the Senate shall appoint:		
9 10 11 12	(1) A person who has expertise in trauma, resilience and social determinants of health, selected from recommendations provided by a statewide network dedicated to building community strengths and reducing the effects of trauma; and		
13 14	(2) A person who represents a statewide association of public health professionals.		
15 16	E. The member of the House of Representatives who is the leader of the party with the 2nd largest number of members in the House shall appoint:		
17 18	(1) A person who is employed as a member of the senior staff or faculty in a public health academic program; and		
19 20	(2) A person who has expertise in maternal and child health issues, including early childhood education and out-of-school child care, or school-based health.		
21	F. The leadership of the Wabanaki Confederacy shall appoint:		
22	(1) A person who has expertise in environmental health; and		
23	(2) A person who has expertise in health equity or health disparity issues.		
24 25 26 27 28	4. Terms; vacancies. Trustees serve 3-year terms. Trustees may serve no more than 3 consecutive terms. If a trustee is unable to complete a term, the Governor shall consult with the board and appoint a replacement for the remainder of the unexpired term. The replacement trustee must hold the same qualifications, set forth in subsection 3, as that of the departing trustee.		
29 30 31	5. Chair. The board shall elect a chair, a vice-chair, a secretary and a treasurer from among the trustees. Each officer serves a one-year term in that office and is eligible for reelection.		
32	6. Meetings; quorum. The board shall meet at least 4 times each year at regular		
33	intervals and may meet at other times at the call of the chair or the Governor. A majority		
34 35	of the trustees constitutes a quorum. Meetings of the board are public proceedings as provided by Title 1, chapter 13, subchapter 1.		
36	7. Election of subcommittees. The board may elect an executive committee of not		
37	fewer than 5 trustees who, between meetings of the board, may transact such business of		
38	the trust as the board authorizes. The board may also elect a planning committee.		

- 8. Liaison to Legislature. The chair is the trust's liaison to the joint standing committee of the Legislature having jurisdiction over public health matters.
 - 9. Advisory committees. The board may establish advisory committees to make recommendations to the board. Advisory committees may include persons who are not trustees.
 - 10. Removal of trustee. The Governor may remove a trustee upon a showing of a deliberate or reckless failure to attend to duties required for service on the board or unexcused absences from 4 or more meetings of the board in a 12-month period.
 - 11. Expenses; reimbursement. Trustees are not entitled to compensation for service on the board, except that, in accordance with Title 5, section 12004-G, subsection 14-J, the trust may reimburse travel and board-related expenses.
 - 12. Fiduciary duties. A trustee has a fiduciary duty to the people of the State in the administration of the trust. Upon accepting appointment as a trustee, each trustee must acknowledge the fiduciary duty to use the trust fund only for the purposes set forth in this subchapter. It is the duty of each trustee to ensure that the purposes of the trust set forth in this subchapter are fulfilled.
 - 13. Conflict of interest. A trustee is deemed to be an executive employee for purposes of Title 5, sections 18, 18-A and 19. A trustee or employee of the trust or a spouse or dependent child of any of those individuals may not receive any direct personal benefit from the activities of the trust. This subsection does not prohibit corporations or other entities with which a trustee is associated by reason of ownership or employment from participating in activities funded directly or indirectly by the trust if ownership or employment is made known to the board and the trustee abstains from all matters directly relating to that participation immediately upon discovery of the association.

§1516. Powers and duties

1. Powers. The trust may:

- A. Receive all settlement funds directly from the payer of the funds;
- B. Receive money from any other source, whether public or private, designated for deposit into or credited to the trust;
- 30 <u>C. Receive funds transferred from the Fund for a Healthy Maine under subchapter 1;</u>
- D. Through funding allocation plans under section 1517, allocate funds; and
- E. Make recommendations to the Legislature regarding improving public health outcomes and promoting public health awareness and understanding.
 - 2. **Duties.** The trust shall:
- A. Administer the trust and the trust fund:
- B. Promote the visibility and understanding of public health among children and adults;

- C. Participate in the development and promotion of a state health improvement plan
 by the Department of Health and Human Services, Maine Center for Disease Control
 and Prevention or another planning entity and provide funding for the planning
 process if necessary;
 - D. Promote multilevel planning and coordination that includes state, district, community and municipal decision-making and advisory boards; and
 - E. Take other actions necessary and appropriate to fulfill the purposes of this subchapter.

§1517. Funding allocation plan

- 1. Funding allocation plan. By December 31, 2020 and every 2 years thereafter, the board shall develop and approve a funding allocation plan to allocate settlement funds and other funds it may hold or receive in the subsequent biennium. The funding allocation plan must advance the purposes of this subchapter and be based on the most recent state health improvement plan and the most recent data available to the board.
- 2. Input from interested parties. Prior to adopting a funding allocation plan or substantially amending an existing funding allocation plan, the trust shall hold at least one public hearing to receive input from interested parties, including but not limited to the Department of Health and Human Services, Maine Center for Disease Control and Prevention, other state agencies, organizations engaged in smoking cessation and public health efforts, other nongovernmental organizations, interested stakeholders, patients and members of the public. When considering the input of interested parties, the trust must consider zero-based budgeting principles and long-term returns on investment.
- 3. Funding allocation plans. The funding allocation plan approved by the board for fiscal year 2021-22 must allocate an amount equal to 0.50 of the settlement funds projected to be received in fiscal year 2021-22 for the purpose of providing medical care. The funding allocation plan approved by the board for fiscal year 2022-23 may not allocate funds for the purpose of providing medical care. When approving other elements of the funding allocation plans, the board shall consider funding levels in the most recent fiscal year and allocate funding in amounts that minimize disruption of existing programs and ensure smooth and efficient transitions to the funding levels required beginning in fiscal year 2023-24 under subsection 4.
- 4. Tier 1 allocation. Beginning in fiscal year 2023-24, each funding allocation plan approved by the board must allocate funds in accordance with the following Tier 1 allocation:
 - A. An amount that, when combined with amounts from other funding sources received by the Department of Health and Human Services, Maine Center for Disease Control and Prevention, yields a total amount available for purposes of providing tobacco prevention and control programs in the State that is equal to or greater than the minimum level recommended by the United States Department of Health and Human Services, Centers for Disease Control and Prevention must be allocated to the Department of Health and Human Services, Maine Center for Disease Control and Prevention or its designated agent;

B. An amount equal to 0.0035 of the settlement funds received in the previous fiscal year must be allocated to the Department of the Attorney General;

- C. An amount not to exceed 0.002 of the settlement funds received in the previous fiscal year must be allocated to the administration fund established pursuant to section 1519, subsection 1;
 - D. An amount not to exceed 0.05 of the settlement funds received in the previous fiscal year may be allocated to the internal stabilization account established in subsection 6;
 - E. An amount not to exceed 0.05 of the settlement funds received in the previous fiscal year may be allocated to the internal flexible account established in subsection 7; and
 - F. The funds remaining after making the allocations required by paragraphs A to C and authorized by paragraphs D and E must be allocated to the Tier 2 Funding Pool account established in subsection 5.
 - The Tier 1 allocations approved by the board may not allocate settlement funds for the purpose of providing medical care.
 - 5. Tier 2 Funding Pool account. The Tier 2 Funding Pool account is established and funded with settlement funds in accordance with subsection 4, paragraph F. The board shall allocate funds in the Tier 2 Funding Pool account to state entities or their designated agents that, in the board's sole determination, will use the funds efficiently and effectively to promote the purposes of this subchapter, implement evidence-based prevention and screening strategies to address the priorities of the state health improvement plan and support efforts by the Department of Health and Human Services, Maine Center for Disease Control and Prevention to prevent disease and promote public health. Funds in the Tier 2 Funding Pool account may not be allocated for the purpose of providing medical care.
 - **6. Internal stabilization account.** An internal stabilization account is established within the trust. In order to prevent disruptions from year to year in the amounts allocated pursuant to Tier 1 allocation under subsection 4 and to ensure continuity in the event of fluctuations in the amount of settlement funds received by the State, the board may draw upon the internal stabilization account to make additional allocations. The trust may not cause the balance in the internal stabilization account at any one time to exceed the amount of settlement funds received by the trust in the most recent year. The funds within the internal stabilization account are nonlapsing and carry forward from year to year for future use consistent with this subsection and do not revert to the trust fund.
 - 7. Internal flexible account. An internal flexible account is established within the trust. The funds in the internal flexible account may be drawn upon by the board for the purpose of rapidly addressing emerging public health threats, promptly implementing innovative promising practices or addressing other immediate unmet needs identified by the board in the period between approval of funding allocation plans, consistent with the purposes of this subchapter. Year-end balances remaining in the internal flexible account lapse to the trust fund and are available for a subsequent year's funding allocation plan.

- 8. Informational copies of funding allocation plans. Upon final approval by the board of a funding allocation plan, the trust shall transmit informational copies of the funding allocation plan to the Governor and to the joint standing committee of the Legislature having jurisdiction over public health matters. A funding allocation plan does not require approval of the Governor or the joint standing committee of the Legislature having jurisdiction over public health matters.
- 9. Report. The trust shall produce annually a report on the results of the tobacco prevention and control programs funded pursuant to section 1517, subsection 4, paragraph A and all other activities of the trust. The report must include an accounting of the funding allocation plan created pursuant to this section, including identification of recipients and amounts allocated. The report may include information on actual health and economic outcomes from funding allocated to date and projected outcomes from undertakings funded by the trust but not yet complete. The report may also include recommendations for changes to the laws relating to activities under the jurisdiction of the trust. The board must approve the report prior to its release. Upon release, the trust shall transmit copies of the report to the Governor and to the joint standing committee of the Legislature having jurisdiction over public health matters.

§1518. Restrictions; construction

The trust's activity is restricted to receiving and allocating funds and any actions necessary and appropriate to receive and allocate funds. The trust may not create, manage or operate public health or health delivery programs. Nothing in this subchapter may be construed to empower the trust to direct, manage or oversee any program, fund or activity of any other state agency.

§1519. Administration

1 2

- 1. Administration fund. The board shall establish an administration fund to be used solely to defray administrative costs approved by the board or the coordinator. The trust may annually deposit funds authorized to be used for administrative costs under this subchapter into the administration fund. Any interest on funds in the administration fund must be credited to the administration fund, and any funds unspent in any fiscal year carry forward and remain in the administration fund to be used to defray administrative costs. In any year, the board may not allocate to the administration fund an amount greater than 0.002 of the most recent year's settlement funds. The board may also use the administration fund to contract for reasonable professional assistance to help review input received from interested parties, to develop the funding allocation plan under section 1517 and to allow the board to fulfill its responsibilities under this subchapter.
- 2. Coordinator. The board shall appoint, using a full and competitive search process, a qualified full-time coordinator of the trust. The coordinator serves at the pleasure of the board. The coordinator must have demonstrated experience in research and analysis of public health issues, coordination of public health programs or administrative support of a board in the public health sector, public health finance or policy, or closely related experience. The coordinator shall assist the board in gathering and disseminating information, preparing for meetings, analyzing public health issues at the direction of the board, communicating with stakeholders, writing reports and such

- other board support and administrative functions as the board may assign. The board shall establish the rate and amount of compensation of the coordinator. The coordinator may exercise any powers lawfully delegated to the coordinator by the board.
 - 3. Bylaws. The board shall adopt bylaws for the governance of its affairs consistent with this subchapter.
 - 4. Self-dealing prohibited. In the operation or dissolution of the trust, no part of the trust may benefit any trustee, officer or employee, except that the trust may pay reasonable compensation for services rendered and otherwise hold, manage and dispose of the trust's property in furtherance of the purposes of the trust.
 - 5. Coordination with other entities. Consistent with the requirements of this subchapter and other applicable law, the board shall coordinate the development of its funding allocation plans with the Statewide Coordinating Council for Public Health, established under Title 5, section 12004-G, subsection 14-G, and other state agencies and authorities the missions of which relate to the purposes of this subchapter in order to minimize inefficiency and duplication and to ensure consistency and effectiveness. Notwithstanding any other provision of law to the contrary, upon request of the trust, other state agencies, officials and employees shall cooperate and assist in the administration of the trust as needed to further the purposes of this subchapter.
 - 6. Recommendations; advisory groups. The trust may establish advisory groups as needed to gather technical knowledge on any aspect of public health policy or funding allocation. With input from advisory groups, if established, the trust may make recommendations to the Governor, the Legislature and other public officials regarding public health. The trust may receive and shall consider any recommendations made by the Governor, other state agencies, the joint standing committee of oversight under section 1520-A and other interested entities and individuals.

§1520. Rulemaking

1 2

The trust shall adopt rules regarding establishing and administering the trust, receiving public input and developing and approving funding allocation plans. Rules adopted pursuant to this section are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

§1520-A. Legislative oversight

The trust is subject to the oversight of the joint standing committee of the Legislature having jurisdiction over public health matters.

§1520-B. Construction by court

The court shall liberally construe this subchapter to give the greatest possible effect to the powers and duties accorded to the trust.

§1520-C. Freedom of access; confidentiality

The proceedings of the board and records of the trust are subject to the freedom of access laws under Title 1, chapter 13, subchapter 1.

§1520-D. Liability

1

2

3

4

5

6 7

8

9

10

16

17

18 19

20

21 22

23

24

2526

27

28 29

30

31 32

33

34 35

36 37

38

39

40

- 1. Bond. All officers, directors, employees and other agents of the trust entrusted with the custody of funds of the trust or authorized to disburse the funds of the trust must be bonded either by a blanket bond or by individual bonds with a minimum of \$100,000 coverage for each person, or equivalent fiduciary liability insurance, conditioned upon the faithful performance of their duties. The premiums for the bond or bonds are administrative costs of the trust.
- 2. Indemnification. Each trustee must be indemnified by the trust against expenses actually and necessarily incurred by the trustee in connection with the defense of any action or proceeding in which the trustee is made a party by reason of being or having been a trustee and against any final judgment rendered against the trustee in that action or proceeding.

§1520-E. Trust for a Healthy Maine Trust Fund

- 1. Establishment. The Trust for a Healthy Maine Trust Fund is established as a nonlapsing fund administered exclusively by the trust solely for the purposes established in this subchapter.
- 2. Tobacco settlement funds. Notwithstanding any provision of law to the contrary, the State Controller shall credit to the trust fund all settlement funds immediately upon receipt by the State.
- **3.** Administration of trust fund. The trust fund may not be used for any purpose other than that set forth in this subchapter, and money in the trust fund is held in trust for the purposes of this subchapter. All money received by the trust must be deposited in the trust fund for distribution by the trust in accordance with this subchapter. The trust is authorized to receive settlement funds and may also seek and accept funding from other public or private sources if the trust determines that such acceptance advances the purposes of this subchapter. Any balance in the trust fund not spent in any fiscal year does not lapse and carries forward in the trust fund available to be used immediately for the purposes of this subchapter, upon the sole direction of the trust. Any interest or investment income earned by the trust fund must be credited to the trust fund. The trust may use administrative services of the Department of Administrative and Financial Services for the management of the trust fund, but the role of the Department of Administrative and Financial Services is nondiscretionary and the Department of Administrative and Financial Services shall carry out all lawful instructions of the trust for all matters relating to accessing the trust fund without the requirement of an additional legislative authorization or a financial order.
- 4. Working capital advance. The State Controller is authorized to provide an annual advance from the General Fund to the trust fund to provide money for allocations

from the trust fund. The money must be returned to the General Fund as the first priority from the amounts credited to the trust fund pursuant to subsection 2.

- 5. Transfer of funds upon repeal or dissolution of the trust fund. If the trust fund is repealed or dissolved for any reason, the State Controller shall transfer the balance of funds in the trust fund to the Fund for a Healthy Maine established in section 1511.
- **Sec. 5. Staggered terms.** Notwithstanding the Maine Revised Statutes, Title 22, section 1515, subsection 4, at the initial meeting of the Trust for a Healthy Maine Board, except for those trustees appointed pursuant to Title 22, section 1515, subsection 3, paragraph B, subparagraph (1) and paragraph C, subparagraph (1), trustees shall draw lots to determine trustees' initial term lengths so that the initial terms of 5 trustees expire after one year, the initial terms of 4 trustees expire after 2 years and the initial terms of 5 trustees expire after 3 years.
- **Sec. 6.** Transfer from Fund for a Healthy Maine. The State Controller, no later than July 1, 2021, shall transfer all settlement funds, as defined in the Maine Revised Statutes, Title 22, section 1514, subsection 7, in the Fund for a Healthy Maine and a pro rata share of investment income in the Fund for a Healthy Maine to the Trust for a Healthy Maine Trust Fund.

18 SUMMARY

This bill establishes the Trust for a Healthy Maine to receive money paid to the State pursuant to the tobacco settlement and from other sources and to distribute that money to state agencies or designated agents of the State to fund tobacco use prevention and control, ensure adequate resources for other disease prevention efforts, promote public health, plan and deliver public health and prevention programs and services, support accreditation of the Department of Health and Human Services, Maine Center for Disease Control and Prevention and support public health workforce development. The trust is governed by a board of trustees appointed by the Governor and legislative leaders.