

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Amend the Laws Governing Reimbursement of Nursing Facilities

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 22 MRSA §1708, sub-§3, ¶D, as corrected by RR 2001, c. 2, Pt. A, §33 and amended by PL 2003, c. 689, Pt. B, §6, is further amended to read:

D. Ensure that any calculation of an occupancy percentage or other basis for adjusting the rate of reimbursement for nursing facility services to reduce the amount paid in response to a decrease in the number of residents in the facility or the percentage of the facility's occupied beds excludes all beds that the facility has removed from service for all or part of the relevant fiscal period in accordance with section 333. If the excluded beds are converted to residential care beds or another program for which the department provides reimbursement, nothing in this paragraph precludes the department from including those beds for purposes of any occupancy standard applicable to the residential care or other program pursuant to duly adopted rules of the department; and

Sec. 2. 22 MRSA §1708, sub-§3, ¶E, as enacted by PL 2001, c. 666, Pt. A, §1 and affected by Pt. E, §1, is amended to read:

E. Contain an annual inflation adjustment that:

(1) Recognizes regional variations in labor costs and the rates of increase in labor costs determined pursuant to the principles of reimbursement and establishes at least 4 regions for purposes of annual inflation adjustments; and

(2) Uses the applicable regional inflation factor as established by a national economic research organization selected by the department to adjust costs other than labor costs or fixed costs.

Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter ~~H-A.2-A~~:

Sec. 3. 22 MRSA §1708, sub-§3, ¶F is enacted to read:

F. For a facility's fiscal year that ends subsequent to July 1, 2007, use as base year costs the audited allowable costs of the facility detailed in the facility's audited cost report for the fiscal year ending between July 1, 2004 and June 30, 2005;

Sec. 4. 22 MRSA §1708, sub-§3, ¶G is enacted to read:

G. For a facility's fiscal year that ends subsequent to July 1, 2007, fully reimburse the facility's actual heating costs by treating these costs as fixed costs that are not subject to routine cost caps or other types of limitations; and

Sec. 5. 22 MRSA §1708, sub-§3, ¶H is enacted to read:

H. For a facility's fiscal year ending subsequent to July 1, 2007, increase the administration and policy-planning ceiling as follows:

(1) For up to 30 beds, \$51,699 plus an additional \$873 for each licensed bed over 10 beds;

(2) For 31 to 50 beds, \$74,242 plus an additional \$747 for each licensed bed over 30 beds;

(3) For 51 to 100 beds, \$92,294 plus an additional \$496 for each licensed bed over 50 beds; and

(4) For over 100 beds, \$124,215 plus an additional \$379 for each licensed bed over 100 beds.

The department shall increase the ceiling under this paragraph quarterly to reflect the rate of inflation.

Sec. 6. 22 MRSA §1720, as enacted by PL 2005, c. 242, §1, is amended to read:

§ 1720. Nursing facility medical director reimbursement

The department shall include in its calculation of reimbursement for services provided by a nursing facility an allowance for the cost of a medical director in a base year amount ~~not to exceed~~ equal to the facility's actual costs for compensating medical director services up to \$10,000, with that amount being subject to an annual cost-of-living adjustment.

Sec. 7. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Nursing Facilities 0148

Initiative: Appropriates and allocates funds for the costs of rebasing nursing facility costs to a base year determined by audited allowable costs for a facility's fiscal year ending between July 1, 2004 and June 30, 2005.

GENERAL FUND	2007-08	2008-09
All Other	\$6,000,000	\$12,000,000
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GENERAL FUND TOTAL	\$6,000,000	\$12,000,000

FEDERAL EXPENDITURES FUND	2007-08	2008-09
All Other	\$12,000,000	\$24,000,000
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FEDERAL EXPENDITURES FUND TOTAL	\$12,000,000	\$24,000,000

SUMMARY

This bill makes ongoing General Fund appropriations of \$6,000,000 in fiscal year 2007-08 and \$12,000,000 in fiscal year 2008-09 and ongoing Federal Expenditure Fund allocations of \$12,000,000 in fiscal year 2007-08 and \$24,000,000 in fiscal year 2008-09 for the costs of rebasing nursing facility costs to a base year determined by audited allowable costs for a facility's fiscal year ending between July 1, 2004 and June 30, 2005.

This bill requires the Department of Health and Human Services to fully reimburse a nursing home's actual heating costs and adjusts the administration and policy-planning ceiling and requires the ceiling to be adjusted quarterly according to inflation. This bill also requires the Department of Health and Human Services to reimburse a nursing facility for actual additional medical director expenses up to \$10,000.