



# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1237

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H.P. 812

House of Representatives, March 25, 2025

**An Act to Support Adult Family Care Homes and Residential Care  
Facilities That Are Small or Located in Rural and Isolated Areas of  
the State**

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative MITCHELL of Cumberland.  
Cosponsored by President DAUGHTRY of Cumberland and  
Representatives: DAIGLE of Fort Kent, EATON of Deer Isle, FARRIN of Jefferson,  
GRAHAM of North Yarmouth, HASENFUS of Readfield, MCCABE of Lewiston, Senator:  
MOORE of Washington.

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

2 **Sec. 1. 22 MRSA §1708, sub-§3, ¶E**, as amended by PL 2013, c. 594, §1, is further  
3 amended by amending subparagraph (2) to read:

4 (2) Uses the applicable regional inflation factor as established by a national  
5 economic research organization selected by the department to adjust costs other  
6 than labor costs or fixed costs; ~~and~~

7 **Sec. 2. 22 MRSA §1708, sub-§3, ¶F**, as amended by PL 2021, c. 29, Pt. R, §1, is  
8 further amended to read:

9 F. Establish a nursing facility's base year every 2 years and increase the rate of  
10 reimbursement beginning July 1, 2014 and every year thereafter until June 30, 2018.  
11 For the state fiscal year beginning July 1, 2018, the base year for each facility is its  
12 fiscal year that ended in the calendar year 2016. For state fiscal years beginning on or  
13 after July 1, 2019, subsequent rebasing must be based on the most recent cost report  
14 filings available. The department may provide a mechanism for subsequent  
15 adjustments to base year costs to reflect any material difference between as-filed cost  
16 reports used in rebasing and subsequent determinations of audited, allowable costs for  
17 the same fiscal period. The department's rules must provide that, beginning in the state  
18 fiscal year beginning July 1, 2018, the rates set for each rebasing year must include an  
19 inflation adjustment for a cost-of-living percentage change in nursing facility  
20 reimbursement each year in accordance with the United States Department of Labor,  
21 Bureau of Labor Statistics Consumer Price Index nursing homes and adult day care  
22 services index.

23 Any rebasing done pursuant to this paragraph may not result in a nursing facility  
24 receiving a reimbursement rate that is lower than the rate in effect on June 30, 2018;  
25 and

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

27 G. Determine the likely impact on small, rural, isolated and island facilities to reduce  
28 impacts on the communities where those facilities are located as well as the impact on  
29 safety and quality of services.

30 **Sec. 4. 22 MRSA §1834** is enacted to read:

31 **§1834. Nursing facility staffing**

32 The department is authorized to adopt rules to govern staffing requirements for nursing  
33 facilities. The department shall consider the likely impact of staffing requirements on  
34 small, rural, isolated and island facilities and may adopt different staffing level  
35 requirements that are specific to their unique circumstances. Rules adopted pursuant to this  
36 section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

37 **Sec. 5. Department of Health and Human Services to amend rules.** By  
38 January 1, 2026, the Department of Health and Human Services shall amend its rules in  
39 Chapter 101: MaineCare Benefits Manual, Chapter II, Section 2, Chapter III, Section 2 and  
40 Chapter III, Section 97, Appendix C in order to provide supplemental MaineCare  
41 reimbursement to adult family care homes and residential care facilities that have fewer  
42 than 10 beds or are at least 35 miles away from the nearest similar facility. The rules must

1 provide eligible small or isolated facilities with a supplemental payment of 10% to be added  
2 to their MaineCare rate.

3 **Sec. 6. Medicaid state plan amendment.** The Department of Health and Human  
4 Services shall prepare and submit a Medicaid state plan amendment to the United States  
5 Department of Health and Human Services, Centers for Medicare and Medicaid Services  
6 that provides supplemental reimbursement to adult family care homes and residential care  
7 facilities that have fewer than 10 beds or are at least 35 miles away from the nearest similar  
8 facility pursuant to section 5.

9 **SUMMARY**

10 This bill requires the Department of Health and Human Services to amend its rules in  
11 Chapter 101: MaineCare Benefits Manual, Chapters II and III, Section 2, Adult Family  
12 Care Services, and Chapter III, Section 97, Private Non-Medical Institution Services,  
13 Appendix C, to provide a supplemental payment of 10% to the MaineCare rates for  
14 facilities that have fewer than 10 beds or are at least 35 miles away from the nearest similar  
15 facility. The bill also requires the Department of Health and Human Services to determine  
16 the likely impact of proposed rule changes to reimbursement and staffing requirements to  
17 long-term care facilities on small, rural, isolated and island facilities to reduce impacts on  
18 the communities where those facilities are located as well as the impact on safety and  
19 quality of services.