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Date: (Filing No. H-)

HEALTH AND HUMAN SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1132, L.D. 1768, “An Act to Update the Alternative Base Year Payment Method for Federally Qualified Health Centers”

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

'An Act to Clarify the MaineCare Rate Determination Requirements'

Amend the bill by striking out all of the emergency preamble.

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

'Sec. 1. 22 MRSA §3173-J, sub-§2, ¶C, as enacted by PL 2021, c. 639, §2, is amended to read:

C. ~~Conduct~~ No less frequently than once every 5 years, conduct a rate determination process for any contemplated change in reimbursement amount or model for a each MaineCare section of policy or for a specific covered service, in accordance with the following procedures:

- (1) Provide public notice of initiation of the rate determination for a MaineCare section of policy or for a specific covered service;
- (2) Consider and, when appropriate, adopt alternative payment models that use financial incentives to promote or leverage greater value for the MaineCare program. This consideration must include a review of research on any available national models or best practices regarding payment models for the service;
- (3) Determine whether a Medicare rate is available for the service and whether the Medicare rate represents the most appropriate benchmark and payment model;
- (4) In the absence of a Medicare rate, determine whether a rate from a non-Medicare payer source, including, but not limited to, commercial health care rates in the State or other states' Medicaid rates, is available for the service and whether this alternate payer rate represents the most appropriate benchmark and payment model. The department shall determine an appropriate percentage of the

COMMITTEE AMENDMENT

1 benchmark rate for the service, taking into consideration the findings of the
2 benchmarking report conducted in accordance with paragraph B;

3 (5) Conduct a rate study for every service for which a benchmark rate or payment
4 model in accordance with subparagraph (3) or (4) either is unavailable or is
5 inconsistent with the goals of efficiency, economy and quality of care to support
6 member access. Each rate study must include the following:

7 (a) A review of data, which must include:

8 (i) An assessment as to whether the delivery of service and associated
9 requirements have changed since the previous rate study, if available, to
10 determine if the rate methodology needs to be revised;

11 (ii) The collection of data on provider costs and cost-related aspects of the
12 delivery of service and associated requirements through existing cost
13 reports, provider surveys and other available data sources; and

14 (iii) Research on any available national models or best practices regarding
15 cost-related aspects of the delivery of service and associated requirements;
16 and

17 (b) Developing or updating rates by considering the following:

18 (i) The appropriateness of adoption of a change in payment model
19 consistent with the purposes of this section;

20 (ii) The current rate assumptions and their appropriateness given current
21 provider costs, best practices or changes in the delivery of service and
22 associated requirements;

23 (iii) The findings for related services of any comprehensive benchmarking
24 report under paragraph B; and

25 (iv) The degree to which services are dependent on MaineCare
26 reimbursement, including, but not limited to, cost factors, such as average
27 wage, that may be reflective of restraints of MaineCare reimbursement
28 versus costs of the broader marketplace; and

29 (6) Upon completion of the rate determination process, present the department's
30 rationale and recommendations for rate methodology, resulting base rate amount
31 and payment model for public comment prior to the rule-making process; convene
32 a meeting of interested providers and other interested members of the public to
33 discuss the recommendations and hear comments; and respond in writing to
34 comments with an explanation of whether and how feedback was incorporated into
35 the final rate determination; and'

36 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
37 number to read consecutively.

38 SUMMARY

39 This amendment replaces the bill and establishes that MaineCare rate determinations
40 are to take place no less frequently than once every 5 years.