

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND TWENTY-THREE

H.P. 1132 - L.D. 1768

**An Act to Clarify the MaineCare Rate Determination Requirements**

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

**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 benchmark rate for the service, taking into consideration the findings of the benchmarking report conducted in accordance with paragraph B;
- (5) Conduct a rate study for every service for which a benchmark rate or payment model in accordance with subparagraph (3) or (4) either is unavailable or is inconsistent with the goals of efficiency, economy and quality of care to support member access. Each rate study must include the following:

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

- (i) An assessment as to whether the delivery of service and associated requirements have changed since the previous rate study, if available, to determine if the rate methodology needs to be revised;
  - (ii) The collection of data on provider costs and cost-related aspects of the delivery of service and associated requirements through existing cost reports, provider surveys and other available data sources; and
  - (iii) Research on any available national models or best practices regarding cost-related aspects of the delivery of service and associated requirements; and
- (b) Developing or updating rates by considering the following:
- (i) The appropriateness of adoption of a change in payment model consistent with the purposes of this section;
  - (ii) The current rate assumptions and their appropriateness given current provider costs, best practices or changes in the delivery of service and associated requirements;
  - (iii) The findings for related services of any comprehensive benchmarking report under paragraph B; and
  - (iv) The degree to which services are dependent on MaineCare reimbursement, including, but not limited to, cost factors, such as average wage, that may be reflective of restraints of MaineCare reimbursement versus costs of the broader marketplace; and
- (6) Upon completion of the rate determination process, present the department's rationale and recommendations for rate methodology, resulting base rate amount and payment model for public comment prior to the rule-making process; convene a meeting of interested providers and other interested members of the public to discuss the recommendations and hear comments; and respond in writing to comments with an explanation of whether and how feedback was incorporated into the final rate determination; and