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An Act To Ensure Appropriate Reimbursement of Rising Energy Costs for Long-term Care Facilities

Emergency preamble. Whereas, acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, long-term care facilities face rapidly rising energy costs for heating oil, electricity, natural gas and other energy sources due to overall market conditions and catastrophic hurricane damage to refineries and related infrastructure, and these increases are anticipated to exceed 40% over prior year costs; and

Whereas, such energy costs are currently subject to a routine cost cap limitation under applicable MaineCare principles of reimbursement, and these long-term care facilities require appropriate relief from these limitations in order to provide for resident safety and to obtain appropriate reimbursement; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. Rules governing reimbursement of energy costs. The Department of Health and Human Services shall amend its rules governing principles of reimbursement for nursing facilities and residential care facilities to require recognition and proper reimbursement of rising energy costs. For facility fiscal years ending between October 1, 2005 and September 30, 2006, and for each of the next 2 facility fiscal years, these energy costs, whether in the form of fuel oil, electricity, natural gas or another energy source, must be treated as fixed costs that are fully reimbursed and are not subject to routine cost caps or other types of limitations. For private nonmedical institutions that do not receive MaineCare reimbursement as residential care facilities but instead receive a predetermined room and board rate as part of their MaineCare private nonmedical institution reimbursement, the room and board rate must be adjusted upward over the next 3 fiscal years to provide sufficient reimbursement to cover rapidly rising energy costs.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

SUMMARY

This bill requires the Department of Health and Human Services to amend its principles of reimbursement for long-term care facilities to provide proper recognition of rapidly rising energy costs. The changes would affect each of the next 3 fiscal years for these facilities. Under the bill, these costs will be reclassified as fixed costs that are fully reimbursed and will no longer be subject to routine cost caps. For those private nonmedical institutions that receive predetermined room and board rates, these rates must be adjusted upward over the next 3 fiscal years to provide sufficient reimbursement to cover rapidly rising energy costs.