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An Act To Index MaineCare Reimbursement to Nursing Homes and Other Adult Care Facilities to Increases in the Minimum Wage

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

Sec. 1. 22 MRSA §1708, sub-§3, ¶F, as amended by PL 2017, c. 460, Pt. B, §1, is further amended to read:

F. Establish a nursing facility's base year every 2 years and increase the rate of reimbursement beginning July 1, 2014 and every year thereafter until June 30, 2018. For the state fiscal year beginning July 1, 2018, the base year for each facility is its fiscal year that ended in the calendar year 2016. For state fiscal years beginning on or after July 1, 2019, subsequent rebasing must be based on the most recent cost report filings available. The department may provide a mechanism for subsequent adjustments to base year costs to reflect any material difference between as-filed cost reports used in rebasing and subsequent determinations of audited, allowable costs for the same fiscal period. The department's rules must provide that, beginning in the state fiscal year beginning July 1, 2018, the rates set for each rebasing year must include an inflation adjustment for a cost-of-living percentage change in nursing facility reimbursement each year in accordance with the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index medical care services index. The department's rules must provide for an increase in the rates each time the minimum hourly wage established in Title 26, section 664, subsection 1 is increased, in the amount of that minimum hourly wage increase, and the increase in the rate of reimbursement under this paragraph must be retroactive to the date of the increase in the minimum hourly wage.

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

Sec. 2. PL 2017, c. 460, Pt. B, §2, sub-§3 is amended to read:

3. Rate study. Cost-of-living increases as described in subsection 2 must continue on an annual basis until the Department of Health and Human Services has completed a rate study conducted by a 3rd party, including participation of providers, for adult family care services, adult day services or homemaker services and the rates in the rate study have been implemented. Notwithstanding subsection 2, after a rate study has been completed pursuant to this subsection, rates for adult family care services must be increased each year by the amount of the increase to the minimum hourly wage that takes place pursuant to the Maine Revised Statutes, Title 26, section 664, subsection 1. The increase in the rate of reimbursement under this subsection must be retroactive to the date of the increase of the minimum hourly wage.

Sec. 3. PL 2017, c. 460, Pt. B, §4, sub-§2 is amended to read:

2. Adjustment for inflation for rates for fiscal year 2019-20 and thereafter. For the state fiscal year ending June 30, 2020 and each year thereafter, the MaineCare payment rates attributable to wages and salaries in each cost component specified in subsection 1 must be increased by an inflation factor in

accordance with the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index medical care services index. The department's rules must provide for an increase in the rates each time the minimum hourly wage established in the Maine Revised Statutes, Title 26, section 664, subsection 1 is increased, in the amount of that minimum hourly wage increase, and the increase in the rate of reimbursement under this section must be retroactive to the date of the increase in the minimum hourly wage.

SUMMARY

This bill increases the reimbursement rates under the MaineCare program to nursing facilities, adult family care homes and residential care facilities by the amount of the minimum wage increase that occurs on January 1st of each year as outlined in the Maine Revised Statutes, Title 26, section 664, subsection 1. The increases in reimbursement rates must be retroactive to the date of the increase in the minimum wage.