

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Improve Rural Health Care

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

Sec. 1. 36 MRSA §5122, sub-§2, ¶¶QQ is enacted to read:

QQ. For taxable years beginning on or after January 1, 2019, to the extent included in federal adjusted gross income, student loan payments made by the taxpayer's employer directly to a lender on behalf of a qualified health care employee. As used in this paragraph, "qualified health care employee" means an individual who is employed by a hospital located in this State and who is licensed under Title 32, chapter 31, subchapter 3 or 4; chapter 36, subchapter 4; or chapter 48, subchapter 2.

Sec. 2. Reimbursement for rural hospitals and nonrural hospitals. The Department of Health and Human Services shall amend its rule Chapter 101: MaineCare Benefits Manual, Chapter III, Section 45 in order to provide MaineCare reimbursement for rural hospitals at 100% of inpatient hospital-based physician costs, outpatient emergency room hospital-based physician costs, outpatient nonemergency room hospital-based physician costs and graduate medical education costs. The department shall also amend its rule Chapter 101: MaineCare Benefits Manual, Chapter III, Section 45 in order to provide MaineCare reimbursement for nonrural hospitals at 93.3% of inpatient hospital-based physician costs, 93.4% of outpatient emergency room hospital-based physician costs and 83.8% of outpatient nonemergency room hospital-based physician costs.

The department shall adopt routine technical rules under the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A to establish a definition of "rural hospital" that reflects the regional access to hospital care and the population density of the public health district in which the hospital is located, as long as the following hospitals are considered rural hospitals:

1. Northern Light A.R. Gould Hospital in Presque Isle;
2. Cary Medical Center in Caribou;
3. Franklin Memorial Hospital in Farmington;
4. Northern Light Inland Hospital in Waterville;
5. Northern Light Maine Coast Hospital in Ellsworth; and
6. Northern Maine Medical Center in Fort Kent.

Sec. 3. Reimbursement for acute care critical access hospitals. The Department of Health and Human Services shall amend its rule Chapter 101: MaineCare Benefits Manual, Chapter III, Section 45 regarding the department's total annual obligation to acute care critical access hospitals to require MaineCare reimbursement of 100% for outpatient nonemergency room hospital-based costs and all hospital-based physician costs.

Sec. 4. Reimbursement for rural health clinics. The Department of Health and Human Services shall amend its rule Chapter 101: MaineCare Benefits Manual, Chapter II, Section 103 regarding the department's prospective payment system reimbursement methodology to require that, effective January 1, 2019, rural health clinics be reimbursed on the basis of 100% of the average of the reasonable costs of providing MaineCare-covered services during calendar years 2016 and 2017 and to begin annual adjustments based on the Medicare Economic Index for primary care services beginning in 2020.

SUMMARY

This bill provides that, for taxable years beginning on or after January 1, 2019, student loan payments made by a taxpayer's employer directly to a lender on behalf of a qualified health care employee are not included in federal adjusted gross income for Maine income tax purposes. The bill also directs the Department of Health and Human Services to amend its rule Chapter 101: MaineCare Benefits Manual, Chapter II and Chapter III regarding reimbursement to rural and nonrural hospitals, acute care critical access hospitals and rural health clinics.