



# 129th MAINE LEGISLATURE

LD 1577

LR 1116(02)

## An Act To Assist Nursing Homes in the Management of Facility Beds

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Health and Human Services

Fiscal Note Required: Yes

### Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
<b>Net Cost (Savings)</b>				
General Fund	\$581,252	\$781,456	\$781,972	\$781,972
<b>Appropriations/Allocations</b>				
General Fund	\$581,252	\$781,456	\$781,972	\$781,972
Federal Expenditures Fund	\$1,238,789	\$1,645,265	\$1,644,748	\$1,644,748
Other Special Revenue Funds	\$116,173	\$154,897	\$154,897	\$154,897
<b>Revenue</b>				
Federal Expenditures Fund	\$1,238,789	\$1,645,265	\$1,644,748	\$1,644,748
Other Special Revenue Funds	\$115,173	\$154,897	\$154,897	\$154,897

### Fiscal Detail and Notes

The bill includes General Fund appropriations to the Department of Health and Human Services of \$581,252 in fiscal year 2019-20 and \$781,456 in fiscal year 2020-21 for the Department of Health and Human Services to include in its calculation of reimbursement for services provided by a nursing facility the cost incurred by the facility for a medical director and to include the cost incurred by a nursing facility for the acquisition, use and maintenance of computer or cloud-based software systems as a fixed cost. Federal Expenditures Fund allocations are also included for the FMAP match and Other Special Revenue Funds allocations are included for the Service Provider Tax.

The Upper Payment Limit (UPL) analysis for Nursing Facilities (NF) indicates that currently the NF payments in MaineCare are lower than Medicare by \$12.5 million. The annual cost of living adjustments (COLA) for the NF's will go into effect on July 1, 2019 and are estimated to increase the payments by \$10.6 million. The impact of this change on the UPL will be limited by an increase to the Medicare rates to which the MaineCare rates are compared, but between the COLA and the cost from this bill, the NF costs will likely go over the UPL threshold. However, based on the language in statute (Title 22 §1708 sub-§3, ¶C) the DHHS must establish reimbursement rates that "are consistent with federal requirements relative to limits on reimbursement under the federal Social Security Act, Title XIX." Thus, the estimate of costs above includes all increases associated with the bill, with a federal match. If this does create a UPL issue, the DHHS will limit the payments to NF's to remain below the federally required limits.