

Date: (Filing No. S- )

**HEALTH AND HUMAN SERVICES**

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE  
SENATE  
129TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 588, L.D. 1758, Bill, “An Act To Clarify and Amend MaineCare Reimbursement Provisions for Nursing and Residential Care Facilities”

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting the following:

**'Sec. 1. PL 2017, c. 460, Pt. B, §3, sub-§1** is amended to read:

**1. Special wage allowance for fiscal year 2018-19 and subsequent fiscal years.** For the state fiscal year ending June 30, 2019, a special supplemental allowance must be made to provide for increases in wages and wage-related benefits in both the direct care cost component and routine care cost component as follows. An amount equal to 10% of allowable wages and associated benefits and taxes as reported on each facility's as-filed cost report for its fiscal year ending in calendar year 2016 must be added to the cost per resident day in calculating each facility's prospective rate, notwithstanding any otherwise applicable caps or limits on reimbursement. This supplemental allowance must also be allowed and paid at final audit to the full extent that it does not cause reimbursement to exceed the facility's allowable costs in that fiscal year. The supplemental allowance for the state fiscal year ending June 30, 2019 provided pursuant to this subsection must continue in each successive fiscal year until the fiscal year in which the rebasing under the Maine Revised Statutes, Title 22, section 1708, subsection 3, paragraph F is based on 2019 as-filed cost report data and has incorporated the costs of wages and allowable benefits and taxes of a facility.

**Sec. 2. PL 2017, c. 460, Pt. B, §3, sub-§§1-A and 1-B** are enacted to read:

**1-A. Additional special wage allowance for fiscal year 2019-20 and subsequent fiscal years.** For the state fiscal year ending June 30, 2020, an additional special supplemental allowance must be made to provide for increases in contract labor, wages and allowable benefits and taxes in both the direct care component and routine care component as follows. An amount equal to 10% of allowable contract labor, wages and allowable benefits and taxes as reported on each facility's as-filed cost report for its fiscal year ending in calendar year 2017 must be added to the cost per resident day in

**COMMITTEE AMENDMENT**

1 calculating each facility's prospective rate, notwithstanding any otherwise applicable caps  
2 or limits on reimbursement to the contrary. This additional supplemental allowance must  
3 be allowed and paid at final audit to the full extent that it does not cause reimbursement  
4 to exceed the facility's allowable costs in that fiscal year. The additional supplemental  
5 allowance for fiscal years ending in calendar year 2020 must be paid in each successive  
6 state fiscal year until the fiscal year in which a rebasing under the Maine Revised  
7 Statutes, Title 22, section 1708, subsection 3, paragraph F is based on 2020 as-filed cost  
8 report data and has incorporated the costs of contract labor, wages and allowable benefits  
9 and taxes of a facility. For the purposes of this subsection, "contract labor" includes  
10 nursing, housekeeping, dietary, laundry and related services.

11 **1-B. No limitation.** The increases in reimbursement rates that result from  
12 implementation of this Act are not limited to only wage and wage-related costs.

13 **Sec. 3. PL 2017, c. 460, Pt. B, §4, sub-§1** is amended to read:

14 **1. Special wage allowance for fiscal year 2018-19 and subsequent fiscal years.**  
15 For the state fiscal year ending June 30, 2019, a special supplemental allowance must be  
16 made to provide for increases in wages and wage-related benefits in the direct care,  
17 personal care services and routine cost components as follows. An amount equal to 10%  
18 of wages and associated benefits and taxes as reported on each facility's as-filed cost  
19 report for its fiscal year ending in calendar year 2016 must be added to the cost per  
20 resident day in calculating each facility's prospective rate, notwithstanding any otherwise  
21 applicable caps or limits on reimbursement. This supplemental allowance must also be  
22 allowed and paid at final audit to the full extent that it does not cause reimbursement to  
23 exceed the facility's allowable costs in each component that is cost settled in that fiscal  
24 year. The supplemental allowance for the state fiscal year ending in June 30, 2019  
25 provided pursuant to this subsection must continue in each successive fiscal year until the  
26 fiscal year in which the rebased rates have incorporated the costs of wages and allowable  
27 benefits and taxes that were reported on each facility's as-filed cost report for its fiscal  
28 year ending in calendar year 2019.

29 **Sec. 4. PL 2017, c. 460, Pt. B, §4, sub-§§1-A and 1-B** are enacted to read:

30 **1-A. Additional special wage allowance for fiscal year 2019-20 and subsequent**  
31 **fiscal years.** For the state fiscal year ending June 30, 2020, an additional special  
32 supplemental allowance must be made to provide for increases in contract labor, wages  
33 and allowable benefits and taxes in the direct care, personal care services and routine care  
34 cost components as follows. An amount equal to 10% of allowable contract labor, wages  
35 and allowable benefits and taxes as reported on each facility's as-filed cost report for its  
36 fiscal year ending in calendar year 2017 must be added to the cost per resident day in  
37 calculating each facility's prospective rate, notwithstanding any otherwise applicable caps  
38 or limits on reimbursement to the contrary. The additional supplemental allowance must  
39 be allowed and paid at final audit to the full extent that it does not cause reimbursement  
40 to exceed the facility's allowable costs in that fiscal year. The supplemental allowance  
41 must be paid in each fiscal year after state fiscal year 2019-20 until the fiscal year in  
42 which rates have been rebased using 2020 or a later calendar year as a base year and the  
43 rebased rates have incorporated the costs of contract labor, wages and allowable benefits  
44 and taxes that were reported on each facility's as-filed cost report for its fiscal year ending

1 in calendar year 2020. For purposes of this subsection, "contract labor" includes nursing,  
 2 housekeeping, dietary, laundry and related services.

3 **1-B. No limitation.** The increases in reimbursement rates that result from  
 4 implementation of this Act are not limited to only wage and wage-related costs.

5 **Sec. 5. Appropriations and allocations.** The following appropriations and  
 6 allocations are made.

7 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF**  
 8 **Medical Care - Payments to Providers 0147**

9 Initiative: Provides appropriations and allocations for residential care facility wage  
 10 allowances.

11	<b>GENERAL FUND</b>	<b>2019-20</b>	<b>2020-21</b>
12	All Other	\$4,105,583	\$4,130,636
13			
14	GENERAL FUND TOTAL	<u>\$4,105,583</u>	<u>\$4,130,636</u>

15	<b>FEDERAL EXPENDITURES FUND</b>	<b>2019-20</b>	<b>2020-21</b>
16	All Other	\$8,904,769	\$8,879,717
17			
18	FEDERAL EXPENDITURES FUND TOTAL	<u>\$8,904,769</u>	<u>\$8,879,717</u>

19	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2019-20</b>	<b>2020-21</b>
20	All Other	\$907,699	\$907,699
21			
22	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$907,699</u>	<u>\$907,699</u>

23 **Nursing Facilities 0148**

24 Initiative: Provides appropriations and allocations for nursing facility wage allowances.

25	<b>GENERAL FUND</b>	<b>2019-20</b>	<b>2020-21</b>
26	All Other	\$10,967,325	\$7,399,924
27			
28	GENERAL FUND TOTAL	<u>\$10,967,325</u>	<u>\$7,399,924</u>

29	<b>FEDERAL EXPENDITURES FUND</b>	<b>2019-20</b>	<b>2020-21</b>
30	All Other	\$23,374,065	\$15,632,951
31			

1	FEDERAL EXPENDITURES FUND TOTAL	\$23,374,065	\$15,632,951
2	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2019-20</b>	<b>2020-21</b>
3	All Other	\$2,192,004	\$1,470,183
4			
5	OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,192,004	\$1,470,183

6 **PNMI Room and Board Z009**

7 Initiative: Provides appropriations and allocations for residential care facility wage  
8 allowances.

9	<b>GENERAL FUND</b>	<b>2019-20</b>	<b>2020-21</b>
10	All Other	\$1,210,265	\$1,210,265
11			
12	GENERAL FUND TOTAL	\$1,210,265	\$1,210,265

13 **HEALTH AND HUMAN SERVICES,**  
14 **DEPARTMENT OF**  
15 **DEPARTMENT TOTALS**

16		<b>2019-20</b>	<b>2020-21</b>
17	<b>GENERAL FUND</b>	<b>\$16,283,173</b>	<b>\$12,740,825</b>
18	<b>FEDERAL EXPENDITURES FUND</b>	<b>\$32,278,834</b>	<b>\$24,512,668</b>
19	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$3,099,703</b>	<b>\$2,377,882</b>
20			
21	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$51,661,710</b>	<b>\$39,631,375</b>
22			

23 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
24 section number to read consecutively.

25 **SUMMARY**

26 This amendment removes the sections of the bill that require additional cost-of-living  
27 adjustments to nursing facilities and residential care facilities and supplemental  
28 allowances for facilities with a high proportion of MaineCare residents and facilities with  
29 specialty beds. It retains the requirements for the 10% one-time supplemental payment  
30 provided in Public Law 2017, chapter 460, Part B to nursing facilities and residential care  
31 facilities to continue in successive years until rebasing incorporates the increase, but the  
32 amendment removes the retroactive requirement to include contract labor. It retains the  
33 requirement to grant an additional 10% increase that is carried forward until rebasing  
34 incorporates the increase, but it removes the language relating to requiring increases to go  
35 to routine care cost components of the rates. It removes the specific prohibition upon the  
36 Department of Health and Human Services to require a nursing facility or residential care

1 facility to demonstrate how increased reimbursement is applied to wages and benefits to  
2 direct care workers but specifies that the increased reimbursement is not limited to only  
3 wages and wage-related costs. It removes the retroactivity section of the bill but retains  
4 the emergency provision of the bill. It adds an appropriations and allocations section.

5

**FISCAL NOTE REQUIRED**

6

**(See attached)**