

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND SEVENTEEN

—
S.P. 178 - L.D. 517

**An Act To Amend Principles of Reimbursement for Residential Care
Facilities**

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

Sec. 1. 22 MRSA §7863 is enacted to read:

§7863. Reimbursement for residential care facilities; room and board costs

1. New construction, acquisitions and renovations. Notwithstanding any other law to the contrary, the department shall permit a capital expenditure by a residential care facility for new construction, an acquisition or a renovation that is less than \$500,000 and shall provide reimbursement to the facility for the capital expenditure without prior approval. The department shall permit a residential care facility to seek and obtain approval for a capital expenditure that exceeds \$500,000. The department shall require that capital expenditures for energy efficiency improvements, for replacement equipment, for information systems, for communications systems and for parking lots and garages be permitted without prior approval and not be counted toward the determination of the \$500,000 threshold.

2. Extraordinary circumstance allowance. A residential care facility that experiences an unforeseen and uncontrollable event during a year that results in unforeseen or uncontrollable increases in expenses may request an adjustment to a prospective rate in the form of an extraordinary circumstance allowance. As used in this subsection, "extraordinary circumstance" includes, but is not limited to, an event of a catastrophic nature, an increase in minimum wage or social security expenses or employee retirement contribution expenses in lieu of social security expenses, a change in the number of licensed beds and a change in licensure or accreditation requirements. If the department concludes that an extraordinary circumstance existed, the department shall make an adjustment in the form of a supplemental allowance. The department shall determine from the nature of the extraordinary circumstance whether the extraordinary circumstance will have a continuing impact and whether the allowance should be included in the computation of the base rate for the succeeding year. Reimbursement to a residential care facility for additional costs arising from an extraordinary circumstance

must be paid via a supplemental payment that is added to the per diem reimbursement rate until the department adjusts the direct care price, the routine limit and the personal care services limit, as applicable, to fairly and properly reimburse a facility for these costs.

3. Regulatory compliance costs. Costs incurred by a residential care facility to comply with changes in federal or state laws, regulations and rules or local ordinances and not otherwise specified in rules adopted by the department are considered reasonable and necessary costs. Reimbursement for these additional regulatory costs must be paid via a supplemental payment that is added to the per diem rate until the department adjusts the direct care price, the routine limit and the personal care services limit, as applicable, to fairly and properly reimburse facilities for these costs.

4. Rulemaking. The department shall adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.