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Testimony of Rep. Anne Perry introducing

LD 938, An Act to Assist Nursing Homes in the Management of Facility Beds

Before the Joint Standing Committee on Health and Human Services

Good afternoon Senator Baldacci, Representative Meyer and members of the Health and Human Services Committee. I am Representative Anne Perry and I represent ten communities in Washington County. I am here to introduce LD 938, An Act to Assist Nursing Homes in the Management of Facility Beds.

We are at a critical point for nursing homes.

LD 938 takes several steps that would solidify the environment nursing homes operate in.

1. It would reinstate bed banking. Prior to 2007, nursing homes were allowed to temporarily take beds off line but bring them back when future needs increase. Nursing homes are penalized when their occupancy falls below a certain level. In those situations, it may make sense to decrease the number of available beds. But, looking at future demographics, it would be short sighted to eliminate beds permanently. This bill restores an opportunity that was in the nursing home regulations for many years.
2. It would eliminate the cap on the amount paid to physicians serving as nursing home medical directors. Currently, MaineCare will only allow a salary of up to \$10,000 per year. In 2015, the average cost was more than double that and facilities struggle to find physicians willing to serve as medical directors. The limitation on these payments is a “cap within a cap,” as nursing homes will still have to stay within their overall “Routine Cap.” The ceiling on medical director pay is an unrealistic limitation and unnecessarily micromanages nursing home operations.
3. Currently, reimbursement for cloud-based software is treated differently than older technology. This is to the financial detriment of nursing homes. At the time that the Principles of Reimbursement were written, no one could have envisioned these kinds of changes. Accordingly, LD 938 brings reimbursement policy up to date with how software is now obtained.

Thank you for your time and consideration.