

131st Legislature
Senate of
Maine
Senate District 2

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**LD 1474, "Resolve, Directing the Department of Health and Human Services
to Expedite Reimbursement of Nursing Facilities"**

**Joint Standing Committee on Health and Human Services
April 20, 2023**

Senator Baldacci, Representative Meyer and Distinguished Members of the Joint Standing Committee on Health and Human Services:

I am Senator Trey Stewart; and I represent District 2, which includes several municipalities in Aroostook and Penobscot Counties. I am here today to present LD 1474, "*Resolve, Directing the Department of Health and Human Services to Expedite Reimbursement of Nursing Facilities.*"

As drafted, this bill requires the Department of Health and Human Services to amend its rules in Chapter 101: MaineCare Benefits Manual, Chapter III, Section 67, Principles of Reimbursement for Nursing Facilities, to require the Department to reimburse at least 75% of a nursing facility's costs due pursuant to the facility's cost reports within 90 days of receipt.

I am proposing an amended version with two minor changes:

1. Language is added to include residential care facilities (Section 97 of the Maine Care Benefits Manual)
2. To clarify that the Department would pay at least 75% of the calculated settlements due to a long term care provider as reported on a nursing facility or residential care facility filed cost report within 90 days of receipt.

It is no secret that Maine's long term care facilities are struggling. Prior to the pandemic, these facilities were facing a difficult staffing shortage. COVID-19 exacerbated those staffing challenges and now they have a workforce crisis that we have never witnessed before. Many nursing homes and residential care facilities have been forced to hire expensive contract labor through temporary nurse agencies to ensure they have enough staff to care for their residents. Lagging reimbursement rates have added to the financial strain and pressure these homes are facing.

On top of that, facilities often must wait two or three years for the Department to review and settle their cost reports. Some of these facilities are struggling financially and the state owes them money. In some cases, this is hundreds of thousands of dollars, which has a detrimental

impact on cash flow. Simply put, these are funds that could keep nursing homes doors open and residents in long term care facilities closer to their loved ones.

What LD 1474 seeks to do is require the state to expedite the payment of at least 75% of the funds owed to a facility within three months. This still leaves 25% of the balance owed to the facility as a buffer to address any discrepancies found after an audit.

In light of the fact that 15 nursing facilities have closed over the last 3 years, and more are experiencing significant financial strain, I urge the Committee to vote ought to pass on LD 1474.

Thank you for your time and consideration.

131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

LD 1474

Resolve, Directing the Department of Health and Human Services to Expedite Reimbursement of Nursing Facilities

PROPOSED AMENDMENT

Sec. 1. Department of Health and Human Services to reimburse nursing facilities after receipt of cost reports. Resolved: That the Department of Health and Human Services shall amend its rules in Chapter 101: MaineCare Benefits Manual, Chapter III, Section 67, Principles of Reimbursement for Nursing Facilities, and Section 97, Principles of Reimbursement for Private Non-Medical Facilities to require the department to pay at least 75% of the calculated settlements due to Provider as reported on a nursing facility or residential care facility filed cost report within 90 days of receipt. **reimburse at least 75% of a nursing facility's costs pursuant to the facility's cost reports within 90 days of receipt.**

SUMMARY

This bill requires the Department of Health and Human Services to amend its rules in Chapter 101: MaineCare Benefits Manual, Chapter III, Section 67, Principles of Reimbursement for Nursing Facilities, and Section 97, Principles of Reimbursement for Private Non-Medical Facilities to require the department to pay at least 75% of the calculated settlements due to Provider as reported on a nursing facility or residential care facility filed cost report within 90 days of receipt. **reimburse at least 75% of a nursing facility's costs pursuant to the facility's cost reports within 90 days of receipt.**