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April 1, 2025

Senator Ingwersen, Chair
Representative Meyer, Chair
Members, Joint Standing Committee on Health and Human Services
100 State House Station
Augusta, ME 04333-0100

Re: LD 182 – *An Act to Require the Department of Health and Human Services to Establish MaineCare Reimbursement Rates for the Maine Veterans' Homes on a Per Resident Basis*

Senator Ingwersen, Representative Meyer and members of the Joint Standing Committee on Health and Human Services,

Thank you for the opportunity to provide information in opposition of 182, *An Act to Require the Department of Health and Human Services to Establish MaineCare Reimbursement Rates for the Maine Veterans' Homes on a Per Resident Basis*.

This bill requires the Department of Health and Human Services to establish reimbursement rates for Maine Veterans' Homes services covered by the MaineCare program using a facility-specific, per diem methodology calculation. Specifically, the bill requires the MaineCare program to reimburse veterans' facilities for covered services on a per resident daily rate basis that will reimburse the portion of the total MaineCare allowable cost of operating each veterans' facility attributable to the provision of services to residents who receive MaineCare benefits. It requires the Department to index the rates to inflation annually and authorizes the department to contract with a 3rd party to derive or review the rates.

This bill perpetuates a system of rate setting which conflicts with 22 M.R.S. § 3173-J by establishing reimbursement methodology that has not been developed through the statutory, systematic, methodological approach.

MaineCare recently completed a long process of nursing facility rate reform. The Department did not receive any public comments during this rate determination for nursing facilities that indicated that Maine Veterans' Home facilities should receive different rates from all other facilities; however, this bill calls for the development of rates specific to individual Maine Veterans' Home facilities. This runs contrary to our general rate reform process and principles established under 22 M.R.S. § 3173-J, including that reimbursement should be consistent and equitable across providers of the same services.

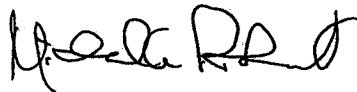
Should this bill move forward, rate determination process requirements set forth in 22 M.R.S. § 3173-J will need to be observed. The Department would be required to request the necessary state plan amendments from the federal Department of Health and Human Services, Centers for

Medicare & Medicaid Services (CMS) and adopt routine technical rules upon federal approval. Maine Veterans' Homes would observe a different reimbursement methodology from other nursing facilities and, as a result, reimbursement amounts would differ from the newly implemented methodology. This change would move MaineCare back toward an inequitable system of reimbursements, one that the Department and Legislature has worked hard to address in the last several years. Additionally, system configuration changes would be required to operationalize the bill's proposed reimbursement methodology for Maine Veterans' Homes.

Above and beyond what other similar facilities receive, the Department distributes legislatively-directed supplemental payments to the Maine Veterans' Home. These supplemental payments would be incongruent with this proposal, as the additional funds would be an inappropriate accompaniment to the reimbursement methodology intended to cover 100% of allowable costs and would likely violate Upper Payment Limits established by CMS.

The Department encourages the committee to oppose LD 182 in recognition of recent nursing facility rate reform efforts. Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Probert", with a stylized flourish at the end.

Michelle Probert
Director
Office of MaineCare Services
Maine Department of Health and Human Services