

## OFFICE OF POLICY AND LEGAL ANALYSIS

Date: April 6, 2021  
To: Joint Standing Committee on Health & Human Services  
From: Anna Broome, Legislative Analyst

### **LD 614 Resolve, To Extend Funding to Maine's Veterans' Homes during the COVID-19 Pandemic**

**SUMMARY:** This resolve requires the Department of Health and Human Services to amend its rules governing MaineCare reimbursement in order to provide cost-based reimbursement to Maine Veterans' Homes nursing facilities through June 30, 2023. (Applies only to MVH NFs not their residential care beds.)

#### **ISSUES FROM TESTIMONY:**

- Sponsor: looking for a one-time extension of Sen. Luchini's bill from the 129<sup>th</sup> to deal with covid crisis.
- MVH: peer group system doesn't work for MVH because their costs are higher and requirements are more stringent; higher need (more men, PTSD and other injuries). \$3.3m annual shortfall between allowed costs and actual payments. MVH provides state portion for matching VA construction grants.
- DHHS concerned about the approach in the bill singling out MVH over other NFs and reimbursing differently; covid measures related to quarantines, TRIs, outbreak rates.

#### **DRAFTING ISSUES:**

- LD 614 does not extend the funding that was in the biennial budget in the 129<sup>th</sup>. LD 606 was drafted the same as this bill but the bill wasn't passed. Instead, PL 2019, c. 343, Part XXXX included a supplemental payment of \$750,000 in each year of the last biennium along with federal match. The funded was to be distributed proportional to the shortfall of each MVH nursing facility. This bill changes the methodology of reimbursing MVH nursing facilities in a manner that is more like island nursing facilities.

#### **ADDITIONAL INFORMATION REQUESTED BY COMMITTEE:**

- Information from MVH in attachment: NF shortfall by MVH location; MVH payer comparison; residents served; examples of state supplemental funding/savings for SVHs; MVH covid-19 fiscal impact analysis; SPA (from XXXX).
- Remote island facilities rules below. Also supplemental payments for remote island PNMI and adult family care homes.

## **FISCAL IMPACT:**

Not yet received from OFPR.

## **From Sec. 67 Ch. III, Principles of Reimbursement:**

### **41 REMOTE ISLAND NURSING FACILITIES**

41.1 In order to qualify as a remote island nursing facility, a nursing facility must meet all of the following criteria:

1. The nursing facility must be located on an island, and
2. must have less than 30 licensed NF beds, and
3. must not be physically located within a hospital, and
4. must not have any licensed residential care beds, and
5. must maintain Medicaid (MaineCare) utilization of ninety five (95%) or greater.

41.2 **Principle.** A nursing facility that qualifies as a remote island nursing facility under this section will be reimbursed for services provided to residents covered under the Title XIX program based upon the actual allowable cost of services provided.

41.3 **Rate setting.** Annually, at the beginning of each facility's fiscal year, the Department will establish the rate based on the latest audited cost report. The allowable per diem cost for the services will be inflated to the beginning of the facility's fiscal year based on Principle 31.

If the facility experiences cost increases in excess of the current interim rate, the provider can request to have the interim rate adjusted. The written request along with the supporting documentation for the rate adjustment should be submitted to:

Department of Health and Human Services  
Director, Rate Setting Unit  
11 State House Station  
Augusta, ME 04333

The Director will review the request and determine if a rate adjustment is necessary.

- 41.4 **Audit.** The per diem rate is subject to year-end audit and will be adjusted to the actual allowable costs of providing services to eligible residents during the year.

Except for Principles 22-27, all other sections of these principles pertaining to the allowability, recording, and reporting of costs shall apply.