

OFFICE OF POLICY AND LEGAL ANALYSIS

Date: April 14, 2021
To: Joint Standing Committee on Health & Human Services
From: Anna Broome, Legislative Analyst

LD 1112 Resolve, To Classify Employee Health Insurance as a Fixed Cost for MaineCare Reimbursement in Nursing Homes

SUMMARY: This resolve requires DHHS to amend its rule Chapter 101: MaineCare Benefits Manual, Chapter III, Section 67, Principles of Reimbursement for Nursing Facilities no later than January 1, 2022 to move health insurance costs for personnel from direct care and routine cost components to fixed costs components. This was a majority recommendation of the Commission To Study Long-term Care Facilities, which reported in December 2013.

ISSUES FROM TESTIMONY:

- Fixed cost component of NF reimbursement is more like a pass through without the caps.
- Proponents: costs of providing health insurance outpace the COLAs that are provided and end up paying more and charging more to their staff. Providers absorb the cost in the year between rebasing years (every 2 years).

ADDITIONAL INFORMATION REQUESTED BY COMMITTEE:

- Same bill as LD 1126 in 129th. (Based on majority recommendation from 2013 Commission to Study Long Term Care Facilities.)

FISCAL IMPACT:

Not yet received from OFPR. LD 1126 full year cost: \$5.6m GF; \$11.9m FF; \$1.1m OSR.