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April 27, 2021

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

Re: LD 1528 – *Resolve, Directing the Department of Health and Human Services To Adjust Reimbursement Rates for Certain Home-based Services*

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

This letter is to provide testimony in opposition to LD 1528, *Resolve, Directing the Department of Health and Human Services To Adjust Reimbursement Rates for Certain Home-based Services*. This resolve directs the Department to increase reimbursement rates for nursing services for certain home-based services by January 15, 2022 and to index the reimbursement rates for certain home-based services provided under rule Chapter 101: MaineCare Benefits Manual (MBM), Chapters II and III, Section 40 to the low utilization payment adjustment rate by January 15, 2022.

Specifically, this bill would increase rates for nursing services in MBM Sections 19 and 96 and Office of Aging and Disability Services (OADS) Ch. 5, Section 63 by 39%. It would also index all MBM Section 40 rates to the low-utilization payment adjustment rate in accordance with 42 Code of Federal Regulations, Section 484.230.

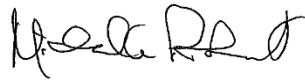
The Comprehensive Rate System Evaluation (RSE) conducted on behalf of the Department showed that Section 19 and 96 nursing rates are low and in need of an update, averaging only 52% of the comparison rate, comprised of the average rates of comparison Medicaid states and, where available, Medicare. By contrast, Section 40 rates for nursing and therapy services averaged on the high side at 159% of the comparison rates, but with considerable variation, with 3 of the 6 rates compared classified as high outliers (greater than 120% of the comparison rate), and 2 of the 6, low outliers (less than 40% of the comparison rate). Because the services in Sections 19, 40, 96, and 102 are all related, the RSE recommended doing a rate study for all of these policies at the same time to reduce the potential to create inappropriate incentives or inequity in rates. The OADS Section 63 rates typically track the MBM rates, so the same rationale would apply to the bill's proposed change to OADS Section 63.

The RSE also recommended examining whether the physical and occupational therapy services rates in Sections 19 and 40 (as well as those in Sections 20 and 21) are unique to the home health setting and should remain in these sections of policy or whether they should be included in the therapy specific policy section (e.g., Section 68 or Section 85). If therapy codes remain in these policies specific for home health, then they should be included in a rate study with other services

in these sections. If they should be incorporated into the therapy specific sections and billed using modifiers in order to adjust for patient acuity, then they should be removed from these sections.

We wanted you to be aware of the above information as you consider this bill going forward. If you have any further questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Probert", written in a cursive style.

Michelle Probert  
Director  
MaineCare Services