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April 27, 2021

Testimony of Holly B. Stover

LD 1528 Resolve, Directing the Department of Health and Human Services to Adjust Reimbursement Rates for Certain Home-based Services

Before the Joint Standing Committee on Health and Human Services

Senator Claxton, Representative Meyer and esteemed colleagues of the Health and Human Services Committee, I am Representative Holly Stover, and I am here today to introduce ***LD 1528 Resolve, Directing the Department of Health and Human Services to Adjust Reimbursement Rates for Certain Home-based Services.***

The bill before you today is divided into three critical sections:

- 1) Sec. 1. Directs the Department to implement a 39% increase for RNs and LPNs for both Section 19 and 96 of the MaineCare Benefits Manual; as well as under the provision of rule Chapter 5: Office of Aging and Disability Services Policy Manual Section 63. While reimbursement rates for RNs and LPNs providing services under these sections were increased in 2018, those increases were based off the 2016 Burns Rate Study. This means that the data used to calculate those increases was gathered by Burns & Associates in 2014. Here we are in 2021, still reimbursing services based on 2014 data, and providers are having an extremely difficult time attracting and retaining nurses. This in turn means that patients are going without needed nursing services because of staffing shortages. A rate increase that sets reimbursement amounts at a level commensurate with today's cost of operation will help providers that are struggling with these challenges.
- 2) Sec. 2. Also directs the Department to index the reimbursement rates for home-based services provided under rule Chapter 101: MaineCare Benefits Manual, Chapters II and III, Section 40 to the Medicare low-utilization payment adjustment (LUPA) rate.

Indexing Section 40 reimbursement rates to the Medicare LUPA rate more closely aligns reimbursement to providers' costs of delivering home health care – while also providing a mechanism for regular rate adjustments without pleading for rate increases for Section 40 year after year after year.

- 3) This bill also requires Department to review its rules to determine whether it is providing adequate reimbursement for activities performed outside of the home by an RN. Most home health providers report work being performed outside of the home (such as following up with physicians and pharmacists, completing paperwork and general care planning), but these tasks are not eligible for reimbursement because they are performed outside of the four walls of the patient's home. These tasks are critical parts of patient care and we would like DHHS to examine whether providers are being adequately compensated for them.

I believe there will be several providers before you today who can speak to the specifics of these proposals and why they are so important. You will hear expert testimony today regarding how we arrived at the proposed 39% rate increase for RN and LPN services using the same methodology as was used in the 2016 Burns Rate Study. You will also hear testimony regarding the recommendation to index Section 40 rates to Medicare. This recommendation aligns with DHHS's Comprehensive Rate System Evaluation Interim Report released in January 2021, as that study noted that Medicare methodologies and fee schedules should be used where they exist to limit the administrative burden on MaineCare staff and providers.

I look forward to working with all of you on this important legislation and ask for your support.