

# MAINE STATE LEGISLATURE

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3/11/19  
A. O'S.

Date: 2/11/19

(Filing No. S-259)

**HEALTH AND HUMAN SERVICES**

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**STATE OF MAINE**

**SENATE**

**129TH LEGISLATURE**

**FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 418, L.D. 1350, Bill, "An Act To Improve Rural Health Care"

Amend the bill in section 1 in paragraph QQ in the 2nd line (page 1, line 4 in L.D.) by inserting after the following: "income" the following: 'and not subtracted under paragraph FF'

Amend the bill by striking out all of sections 3 and 4 and inserting the following:

**Sec. 3. Reimbursement for acute care critical access hospitals.** The Department of Health and Human Services shall amend its rule Chapter 101: MaineCare Benefits Manual, Chapter III, Section 45 regarding acute care critical access hospital physician services to require MaineCare reimbursement of 100% for all hospital-based physician costs.

**Sec. 4. Reimbursement for rural health clinics.** The Department of Health and Human Services shall amend its rule Chapter 101: MaineCare Benefits Manual, Chapter II, Section 103 regarding the department's reimbursement methodology to provide an alternative payment methodology option that, effective January 1, 2020, is the same as the existing methodology except that rural health clinics may be reimbursed on the basis of 100% of the average of the reasonable costs of providing MaineCare-covered services during calendar years 2016 and 2017 as long as reimbursement is no less than reimbursement received under the prospective payment system described in Section 1902(bb) of the United States Social Security Act. Each rural health clinic must be given the option to be reimbursed under the methodology required by this section or under the existing prospective payment system methodology.

**Sec. 5. State plan amendments; rulemaking.** The Department of Health and Human Services shall submit any necessary state plan amendments to implement the requirements of this Act to the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services no later than January 1, 2020. Upon approval, the department shall amend its rules within 180 days of approval. Rules adopted pursuant to this section are routine technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

**COMMITTEE AMENDMENT**

A. of S.

1           **Sec. 6. Appropriations and allocations.** The following appropriations and  
2 allocations are made.

3           **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

4           **Revenue Services, Bureau of 0002**

5           Initiative: Provides one-time funding for computer programming to update the individual  
6 income tax return.

7	<b>GENERAL FUND</b>	<b>2019-20</b>	<b>2020-21</b>
8	All Other	\$0	\$11,000
9			
10	GENERAL FUND TOTAL	\$0	\$11,000

11	<b>ADMINISTRATIVE AND FINANCIAL</b>		
12	<b>SERVICES, DEPARTMENT OF</b>		
13	<b>DEPARTMENT TOTALS</b>	<b>2019-20</b>	<b>2020-21</b>
14			
15	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$11,000</b>
16			
17	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$11,000

18           **HEALTH AND HUMAN SERVICES, DEPARTMENT OF**

19           **Medical Care - Payments to Providers 0147**

20           Initiative: Provides appropriations and allocations to allow for MaineCare reimbursement  
21 of 100% for all hospital-based physician costs.

22	<b>GENERAL FUND</b>	<b>2019-20</b>	<b>2020-21</b>
23	All Other	\$371,768	\$753,736
24			
25	GENERAL FUND TOTAL	\$371,768	\$753,736

26	<b>FEDERAL EXPENDITURES FUND</b>	<b>2019-20</b>	<b>2020-21</b>
27	All Other	\$793,942	\$1,577,684
28			
29	FEDERAL EXPENDITURES FUND TOTAL	\$793,942	\$1,577,684

30           **Medical Care - Payments to Providers 0147**

31           Initiative: Provides appropriations and allocations to allow for MaineCare reimbursement  
32 for rural hospitals at 100% of inpatient hospital-based physician costs, outpatient  
33 emergency room hospital-based physician costs, outpatient nonemergency room hospital-  
34 based physician costs and graduate medical education costs and to allow for MaineCare

# COMMITTEE AMENDMENT

R. O. S.

COMMITTEE AMENDMENT "A" to S.P. 418, L.D. 1350 (S-259)

1 reimbursement for nonrural hospitals at 93.3% of inpatient hospital-based physician  
2 costs, 93.4% of outpatient emergency room hospital-based physician costs and 83.8% of  
3 outpatient nonemergency room hospital-based physician costs.

4	<b>GENERAL FUND</b>	<b>2019-20</b>	<b>2020-21</b>
5	All Other	\$263,428	\$534,084
6			
7	<b>GENERAL FUND TOTAL</b>	<u>\$263,428</u>	<u>\$534,084</u>

8	<b>FEDERAL EXPENDITURES FUND</b>	<b>2019-20</b>	<b>2020-21</b>
9	All Other	\$562,573	\$1,117,918
10			
11	<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$562,573</u>	<u>\$1,117,918</u>

12 **Medical Care - Payments to Providers 0147**

13 Initiative: Provides appropriations and allocations to allow for an alternative payment  
14 methodology option that, effective January 1, 2019, is the same as the existing  
15 methodology except that rural health clinics may be reimbursed on the basis of 100% of  
16 the average of the reasonable costs of providing MaineCare-covered services during  
17 calendar years 2016 and 2017 as long as reimbursement is no less than reimbursement  
18 received under the prospective payment system.

19	<b>GENERAL FUND</b>	<b>2019-20</b>	<b>2020-21</b>
20	All Other	\$739,449	\$1,499,185
21			
22	<b>GENERAL FUND TOTAL</b>	<u>\$739,449</u>	<u>\$1,499,185</u>

23	<b>FEDERAL EXPENDITURES FUND</b>	<b>2019-20</b>	<b>2020-21</b>
24	All Other	\$1,579,154	\$3,138,020
25			
26	<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$1,579,154</u>	<u>\$3,138,020</u>

27	<b>HEALTH AND HUMAN SERVICES,</b>		
28	<b>DEPARTMENT OF</b>		
29	<b>DEPARTMENT TOTALS</b>	<b>2019-20</b>	<b>2020-21</b>
30			
31	<b>GENERAL FUND</b>	\$1,374,645	\$2,787,005
32	<b>FEDERAL EXPENDITURES FUND</b>	\$2,935,669	\$5,833,622
33			
34	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$4,310,314</u>	<u>\$8,620,627</u>

# COMMITTEE AMENDMENT

A. of S.

1	<b>SECTION TOTALS</b>	<b>2019-20</b>	<b>2020-21</b>
2			
3	<b>GENERAL FUND</b>	<b>\$1,374,645</b>	<b>\$2,798,005</b>
4	<b>FEDERAL EXPENDITURES FUND</b>	<b>\$2,935,669</b>	<b>\$5,833,622</b>
5			
6	<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$4,310,314</b>	<b>\$8,631,627</b>
7			

8 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
9 section number to read consecutively.

10 **SUMMARY**

11 This amendment makes the following changes to the bill.

12 1. It changes the reimbursement for acute care critical access hospitals to 100% for  
13 all hospital-based physician costs rather than facility and physician costs.

14 2. It clarifies that rural health clinics are paid under an alternative payment  
15 methodology option that is the same as the current system except for rebasing costs to  
16 2016 and 2017 costs as long as the rural health clinics are not paid less than the current  
17 reimbursement rate.

18 3. It requires the Department of Health and Human Services to submit any necessary  
19 state plan amendments to the United States Department of Health and Human Services,  
20 Centers for Medicare and Medicaid Services no later than January 1, 2020. Rulemaking  
21 must be completed by the department within 180 days of receiving federal approval.

22 4. It adds language to clarify that taxpayers cannot claim a double benefit for  
23 educational opportunity tax credits.

24 5. It adds an appropriations and allocations section.

25 **FISCAL NOTE REQUIRED**

26 **(See attached)**



# 129th MAINE LEGISLATURE

LD 1350

LR 749(02)

## An Act To Improve Rural Health Care

Fiscal Note for Bill as Amended by Committee Amendment "H" (S-259)

Committee: Health and Human Services

Fiscal Note Required: Yes

### Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
<b>Net Cost (Savings)</b>				
General Fund	\$1,374,645	\$2,931,005	\$2,921,472	\$2,921,472
<b>Appropriations/Allocations</b>				
General Fund	\$1,374,645	\$2,798,005	\$2,788,472	\$2,788,472
Federal Expenditures Fund	\$2,935,669	\$5,833,622	\$5,832,155	\$5,832,055
<b>Revenue</b>				
General Fund	\$0	(\$133,000)	(\$133,000)	(\$133,000)
Federal Expenditures Fund	\$2,936,669	\$5,833,622	\$5,832,155	\$5,832,155
Other Special Revenue Funds	\$0	(\$7,000)	(\$7,000)	(\$7,000)

### Fiscal Detail and Notes

The bill includes General Fund appropriations to the Department of Health and Human Services of \$1,374,645 in fiscal year 2019-20 and \$2,787,005 in fiscal year 2020-21 for the Department of Health and Human Services to amend its rule Chapter 101: MaineCare Benefits Manual, Chapter III, Section 45 regarding the department's total annual obligation to rural and nonrural hospitals and acute care critical access hospitals and to amend its rule Chapter 101: MaineCare Benefits Manual, Chapter II, Section 103 regarding the department's reimbursement methodology to provide an alternative payment methodology option for rural health clinics. Federal Expenditures Fund allocations are also included for the FMAP match.

The bill provides a subtraction modification from income tax for student loan payments made by a taxpayer's employer directly to a lender on behalf of a qualified health care employee. It would result in a reduction of General Fund revenue of \$133,000 in fiscal year 2020-21 and a reduction in Local Government Fund revenue of \$7,000 in fiscal year 2020-21. The bill includes a one-time General Fund appropriation of \$11,000 in fiscal year 2020-21 for computer programming to update the individual income tax return.