

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1489

S.P. 604

In Senate, April 8, 2025

Resolve, to Provide Stability to Long-term Care Facility Funding

(EMERGENCY)

Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator GROHOSKI of Hancock.

Cosponsored by Representative EATON of Deer Isle and

Senators: BENNETT of Oxford, MOORE of Washington, STEWART of Aroostook, TIPPING of Penobscot, Representatives: COLLAMORE of Pittsfield, FRIEDMANN of Bar Harbor, MILLIKEN of Blue Hill, STROUT of Harrington.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** residential care facilities in this State provide services critically important
4 to ensuring a continuum of residential services for elderly residents and residents with
5 disabilities in this State; and

6 **Whereas,** residential care facilities in this State are currently reimbursed by the
7 MaineCare program under an antiquated and inadequate rate methodology that continues
8 to fall short of covering the costs of delivering care to those who require residential services
9 and cannot afford to pay for those services with their own funds; and

10 **Whereas,** the MaineCare program has recently announced that it will not increase
11 those already inadequate rates to cover inflation as required by current law; and

12 **Whereas,** the MaineCare program has failed to schedule a rate determination process
13 to update the rate methodology for residential care facilities to adequately cover the
14 reasonable costs of delivering care to those in need; and

15 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
16 the meaning of the Constitution of Maine and require the following legislation as
17 immediately necessary for the preservation of the public peace, health and safety; now,
18 therefore, be it

19 **Sec. 1. Cost-of-living adjustment reimbursement for residential care**
20 **facilities, private nonmedical institution Appendix C facilities. Resolved:** That,
21 notwithstanding any provision of law to the contrary, the Department of Health and Human
22 Services shall immediately recalculate rates to reflect a cost-of-living adjustment consistent
23 with the standards provided in the Maine Revised Statutes, Title 22, section 3173-J,
24 subsection 2, paragraph D, subparagraph (3) for all components of the current payment
25 system for residential care facilities provided in the department's rule Chapter 101:
26 MaineCare Benefits Manual, Chapter III, Section 97, Private Non-Medical Institution
27 Services, and Section 97, Appendix C, Principles of Reimbursement for Medical and
28 Remedial Service Facilities, and rule Chapter 115: Principles of Reimbursement for
29 Residential Care Facilities - Room and Board Costs. The department shall calculate the
30 inflation factor for this adjustment in accordance with the United States Department of
31 Labor, Bureau of Labor Statistics Consumer Price Index medical care services index from
32 the prior December for professional services, nursing home services and adult day care
33 services or a standardized index selected by the department pursuant to Title 22, section
34 3173-J, subsection 2, paragraph D, subparagraph (3), whichever is greater. The adjustment
35 required by this section must be applied retroactively to January 1, 2025.

36 **Sec. 2. Rate determination for residential care facilities, private**
37 **nonmedical institution Appendix C facilities. Resolved:** That the Department of
38 Health and Human Services shall immediately commence a rate study in accordance with
39 the Maine Revised Statutes, Title 22, section 3173-J, subsection 2, paragraph C,
40 subparagraph (5) to determine rates for residential care facility services and shall complete
41 the study and implement rates in accordance with the study with an effective date no later
42 than January 1, 2026. To ensure that access to services is not disrupted by sudden changes
43 in reimbursement, the rates implemented in accordance with this section must be designed

1 to ensure that a provider will not receive a decrease in rates in the first year of the new rate
2 methodology determined under this section and that a provider will not receive more than
3 a 5% decrease in rates in the 2nd year and that a provider will not receive more than a 10%
4 decrease in the 3rd year.

5 **Emergency clause.** In view of the emergency cited in the preamble, this legislation
6 takes effect when approved.

7 SUMMARY

8 This bill requires the Department of Health and Human Services to provide a cost-of-
9 living adjustment for residential care facilities and apply that adjustment retroactively to
10 January 1, 2025. The bill also requires the department to conduct a rate study and determine
11 rates for residential care facility services no later than January 1, 2026.