

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 332

S.P. 127

In Senate, February 11, 1987

Reference to the Committee on Human Resources suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate  
Presented by Senator BUSTIN of Kennebec.

Cosponsored by Representative BOUTILIER of Lewiston,  
Representative HICKEY of Augusta.

STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT to Require the Department of Human  
2 Services to Reimburse Nursing Homes  
3 for the Reasonable Costs of  
4 Recruiting, Training and Retaining  
5 Qualified Nursing Staff.  
6

7 Be it enacted by the People of the State of Maine as  
8 follows:

9 22 MRSA §1708, sub-§2, as repealed and replaced  
10 by PL 1975, c. 365, §1, is amended to read:

11 2. Compensation for nursing homes. A nursing  
12 home, as defined under section 1812-A, or any portion  
13 of a hospital or institution operated as a nursing  
14 home, when the State is liable for payment for care,  
15 shall be reimbursed at a rate established by the De-  
16 partment of Human Services pursuant to this subsec-

1 tion. The department shall not establish a so-called  
2 "flat rate." The department shall establish for each  
3 nursing home a payment rate or payment rates relating  
4 to various types of care provided in a nursing home.  
5 Such rate or rates shall be based on the operating  
6 costs attributable to each nursing home as determined  
7 by such accounting and auditing standards and proce-  
8 dures as the department may establish. The provisions  
9 of this subsection shall apply to all funds, includ-  
10 ing federal funds, paid by any agency of the State to  
11 a nursing home for patient care. The provisions of  
12 this subsection shall apply, notwithstanding any oth-  
13 er provisions of law.

14 In determining appropriate reimbursement with respect  
15 to staffing costs, the department shall recognize the  
16 facility's reasonable costs of recruiting, training  
17 and retaining qualified nursing staff, including reg-  
18 istered nurses, licensed practical nurses, certified  
19 nurses aides and allied personnel.

20 STATEMENT OF FACT

21 This bill requires the Department of Human Ser-  
22 vices to reimburse nursing homes for the reasonable  
23 costs of recruiting, training and retaining qualified  
24 nursing staff. Under current rules, reimbursement is  
25 based on 1982 base year costs, adjusted by various  
26 formula factors, which do not reflect the additional  
27 costs incurred by nursing homes in attempting to hire  
28 and retain individuals in very tight labor markets.

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