

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 349

H.P. 266 House of Representatives, February 11, 1987  
Reference to the Committee on Human Resources suggested  
and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative CARROLL of Gray.

Cosponsored by Representatives KIMBALL of Buxton and  
SIMPSON of Casco.

STATE OF MAINE

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

1 AN ACT to Provide for a Prospective Payment  
2 System for State Reimbursement of  
3 Boarding Care Facilities with More  
4 than 6 Beds, to Allow for Periodic  
5 Cost-of-living Adjustments and for  
6 Other Purposes.  
7

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

10 22 MRS A §7907-A is enacted to read:

11 §7907-A. Prospective boarding care payments for fa-  
12 ilities with more than 6 beds

13 1. Prospective payment system. With respect to  
14 boarding care facilities with more than 6 beds, the  
15 department shall reimburse all boarding care facili-

1 ties by means of a prospective payment system which  
2 utilizes a methodology similar to that which the de-  
3 partment has employed since 1982 regarding intermedi-  
4 ate care facilities. The department shall promulgate  
5 rules implementing the system on or before October 1,  
6 1987, which shall govern boarding home payment years  
7 beginning on and after that date.

8         2. Base year costs. The prospective payment  
9 system shall utilize as base year costs, each  
10 facility's actual costs in its last fiscal year which  
11 ended on or before December 31, 1986.

12         3. Adjustment factors. The prospective payment  
13 system shall utilize appropriate factors in order to  
14 adjust base year costs to prospective payments taking  
15 into consideration the earlier methodologies utilized  
16 by the department with respect to the prospective  
17 payment system for intermediate care facilities and  
18 by the Maine Health Care Finance Commission with re-  
19 spect to hospitals. The prospective payment system  
20 for boarding and facilities shall include, among oth-  
21 er adjustments, an appropriate allowance for infla-  
22 tion and increased labor costs based on the increase  
23 in costs of goods and services for health care facili-  
24 ties as published by Data Resources, Incorporated.

25         4. Consultation with representative groups. Be-  
26 fore promulgating the rules, the department shall  
27 consult with representative groups concerned with  
28 boarding care facilities and their residents includ-  
29 ing, but not limited to, the Maine Committee on  
30 Aging, Legal Services for the Elderly and Residential  
31 Care Association.

32                                 STATEMENT OF FACT

33         The purpose of this bill is to require the De-  
34 partment of Human Services to establish a payment  
35 system for reimbursement of boarding care facilities  
36 of more than 6 beds similar to that system in nursing  
37 homes since 1982.

38         Currently, boarding homes of 6 or fewer resi-  
39 dents, except those for the mentally retarded, are on

1 a so-called flat rate system. The last session of  
2 the Legislature enacted legislation to require an an-  
3 nual inflationary adjustment to the current ceiling,  
4 but this approach will not make up for the past ineq-  
5 uities.

6 Boarding homes with more than 6 residents and all  
7 boarding homes for mentally retarded, including those  
8 with 6 or fewer residents, are currently subject to a  
9 "reasonably cost-based reimbursement system" as ad-  
10 ministered by the department. This system does not  
11 address actual costs as it is subject to a \$590 per  
12 month ceiling and is subject to an audit process  
13 which often results in several years delay in needed  
14 payments.

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