

MAINE STATE LEGISLATURE

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R. O. S.

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L.D. 2137
(Filing No. S-391)

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STATE OF MAINE
SENATE
113TH LEGISLATURE
SECOND REGULAR SESSION

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COMMITTEE AMENDMENT " A " to S.P. 817, L.D. 2137,
Bill, "AN ACT to Amend the Principles of Reimbursement
for Nonhealth Employees of Nursing Homes."

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Amend the bill by striking out everything after
the enacting clause and inserting in its place the
following:

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'Sec. 1. 22 MRSA §1708, sub-§2, as repealed and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

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2. Compensation for nursing homes. A nursing
home, as defined under section 1812-A, or any portion
of a hospital or institution operated as a nursing
home, when the State is liable for payment for care,
shall be reimbursed at a rate established by the
Department of Human Services pursuant to this
subsection. The department shall not establish a
so-called "flat rate." The department shall establish
for each nursing home a payment rate or payment rates
relating to various types of care provided in a
nursing home. Such rate or rates shall be based on
the operating costs attributable to each nursing home
as determined by such accounting and auditing
standards and procedures as the department may
establish. The provisions of this subsection shall
apply to all funds, including federal funds, paid by

COMMITTEE AMENDMENT " A " to S.P. 817, L.D. 2137

1 any agency of the State to a nursing home for patient
2 care. The provisions of this subsection shall apply,
3 notwithstanding any other provisions of law.

4 In determining the appropriate reimbursement with
5 respect to nonhealth personnel staff costs, excluding
6 administrative staff, the department shall, to the
7 extent of available resources, make the adjustments
8 necessary to equalize the imbalance which existed in
9 the base wage rate and which has been exaggerated by
10 inflationary adjustments. In determining this
11 adjustment, the department shall consider, at a
12 minimum, labor market conditions, shortages in the
13 labor pool, demonstrated inability to recruit or
14 retain qualified nonhealth personnel and the extent to
15 which any previous inflationary increases in the per
16 diem rate are reflected in the current salary of those
17 employees. Interim adjustments to the reimbursement
18 rate may be made by the department when appropriate.

19 **Sec. 2. Appropriation.** The following funds are
20 appropriated from the General Fund to carry out the
21 purposes of this Act.

22 1988-89

23 HUMAN SERVICES, DEPARTMENT OF

24 Payments to Providers of
25 Intermediate Care

26 All Other \$548,383

27 **Sec. 3. Allocation.** The following funds are
28 allocated from the Federal Expenditure Fund to carry
29 out the purposes of this Act.

30 1988-89

31 HUMAN SERVICES, DEPARTMENT OF

32 Payments to Providers of
33 Intermediate Care

34 All Other \$1,102,377

1 FISCAL NOTE

2 Enactment of this legislation could require a
3 General Fund appropriation of \$548,383 in fiscal year
4 1989 to payments to providers of intermediate care and
5 a federal allocation to the same account in the amount
6 of \$1,102,377. This fiscal note is based on providing
7 a \$.25 per hour increase to 2,213 nonhealth nursing
8 home employees which would be in addition to any
9 increase already included in the reimbursement rate
10 for fiscal year 1989. The actual increase for each
11 employee will vary based on the criteria established
12 by this bill.'

13 STATEMENT OF FACT

14 This amendment addresses the difficulty nursing
15 homes are experiencing in recruiting and retaining
16 qualified nonhealth personnel by providing an interim
17 wage adjustment for those personnel when
18 appropriate. The adjustment shall equalize the
19 imbalances in wages which have been exaggerated by the
20 across-the-board percentage wage increases to account
21 for inflation. For example, those who started at the
22 lowest salary will get the most increase. Wage
23 adjustments are only available for those nursing homes
24 which have passed along the previous adjustments for
25 inflation. In addition, nursing homes are required
26 to show inability to compete for wages in the labor
27 market and have a hardship in recruiting and retaining
28 staff. This amendment also adds a fiscal note and an
29 appropriation.

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