

MAINE STATE LEGISLATURE

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L.D. 89
(Filing No. S- 21)

STATE OF MAINE
SENATE
114TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A " to S.P. 87, L.D. 89, Bill, "An Act to Save Medicaid Funds by Expanding the Ability of the Department of Human Services to Recover Funds from Prior Owners of Boarding and Nursing Homes"

Amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, it is necessary to begin recovery of debts from prior owners of boarding and nursing homes immediately, in order to save Medicaid funds; and

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

Further amend the bill in that part designated "~~§1714.~~" in subsection 1, paragraph B, subparagraph (2), in the 2nd line (page 1, line 24 in L.D.) by striking out the following: "or"

Further amend the bill in that part designated "~~§1714.~~" in subsection 1, paragraph B, subparagraph (3), (page 1, line 26 in L.D.) by striking out the following: "." and inserting in its place the following: '; or'

Further amend the bill in that part designated "~~§1714.~~" in subsection 1, paragraph B, by adding a new subparagraph (4) to read:

'(4) Projected overpayments reported in an interim cost report. If an interim report is not filed at least 30 days prior to the transfer, "debt" also includes 5% of Medicaid reimbursement or cost reimbursement for the last fiscal year or \$50,000.

1 whichever is less.'

3 Further amend the bill in that part designated "§1714." in
subsubsection 1, by adding after paragraph D the following:

5 'D-1. "Interim cost report" means a cost report which
7 covers the current fiscal year and any prior periods not
 covered by a previously filed cost report. Costs incurred
9 in the 90 days prior to the transfer need not be covered in
 the interim cost report.'

11 Further amend the bill in that part designated "§1714." in
13 subsubsection 2, paragraph A, in the 2nd line (page 2, line 10 in
L.D.) by striking out the following: "or"

15 Further amend the bill in that part designated "§1714." in
17 subsubsection 2, paragraph B, in the last line (page 2, line 15 in
L.D.) by striking out the following: "."" and inserting in its
19 place the following: '; or'

21 Further amend the bill in that part designated "§1714." in
subsubsection 2, by inserting a new paragraph C to read:

23 'C. An interim cost report has:

25 (1) Been filed, an escrow account has been created and
27 funded in an amount sufficient to cover any overpayment
 identified in such a report; or

29 (2) Not been filed, an escrow account has been created
31 and funded in an amount sufficient to cover 5% of
33 Medicaid reimbursement or cost reimbursement for the
 last fiscal year or \$50,000, whichever is less.'

35 Further amend the bill in that part designated "§1714." by
striking out all of subsection 4 and inserting in its place the
37 following:

39 '4. Department to identify debt. Any person who may be
41 affected by subsection 2 may request that the department identify
43 the amount of any debt owed by a nursing home or boarding home.
45 When the department receives such a request, it shall identify
47 the debt within 30 days. Failure to identify the amount of a
 debt when such a request is made in writing at least 30 days
 prior to the transfer shall preclude the department from
 recovering that debt from the transferee.

49 5. Written notice. The department shall provide written
51 notice of the requirements of this law to the transferee in a
 letter acknowledging receipt of a request for a certificate of
 need or waiver of the certificate of need for a nursing home

1 transfer or in response to a request for an application for a
2 license to operate a boarding home following a transfer.'

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4 Further amend the bill in that part designated "**§1714.**" by
5 renumbering all of the subsections to read consecutively.

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6 Further amend the bill by inserting before the statement of
7 fact the following:

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8 **'Emergency clause.** In view of the emergency cited in the
9 preamble, this Act shall take effect when approved.'

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STATEMENT OF FACT

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14 This amendment does the following.

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16 1. Adds a further definition of "debt" in section 1 of the
17 bill to include projected overpayments reported in an interim
18 cost report.

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19 2. Defines interim cost report.

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20 3. Adds a paragraph to section 2 whereby the transferee is
21 liable for debts owed to the department by the former provider
22 unless at the time of sale an interim cost report has:

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23 A. Been filed, an escrow account created and funded to
24 cover overpayments identified in the report; or

29

25 B. Not been filed, an escrow account created and funded to
26 cover 5% of Medicaid reimbursement or cost reimbursement for
27 the last fiscal year or \$50,000, whichever is less.

33

28 4. Replaces section 4 with a different paragraph allowing
29 any person who may be affected by the liability section to
30 request the department to identify debts owed by a nursing or
31 boarding home.

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32 5. Adds a new section requiring the department to provide
33 written notice of these statutory requirements to the transferee.

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Reported by Senator Gauvreau for the Committee on Human
Resources. Reproduced and Distributed Pursuant to Senate
Rule 12.

(3/27/89)

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