

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1065

H.P. 761

House of Representatives, April 5, 1989

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

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Speaker MARTIN of Eagle Lake.

Cosponsored by Senator PERKINS of Hancock, Representative CARROLL of Gray and Representative LISNIK of Presque Isle.

STATE OF MAINE

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

**An Act To Provide the Reasonable Costs of Wages Paid to Employees
of Long-term Care Facilities and Nursing Homes.**

(EMERGENCY)



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

5 Whereas, nursing homes are facing a financial crisis due to
6 the labor shortage in health care occupations; and

7
8 Whereas, reimbursement under the Medicaid program for
9 services provided to eligible patients has fallen far behind the
10 cost of staffing to provide those services; and

11
12 Whereas, in the judgment of the Legislature, these facts
13 create an emergency within the meaning of the Constitution of
14 Maine and require the following legislation as immediately
15 necessary for the preservation of the public peace, health and
16 safety; now, therefore,

17
18 **Be it enacted by the People of the State of Maine as follows:**

19 **Sec. 1. 22 MRSA §1708**, as repealed and replaced by PL 1975,
20 c. 365, §1, is repealed and the following enacted in its place:

21
22 **§1708. Appropriations to aid public and private hospitals;**
23 **compensation**

24
25 Any funds appropriated by the Legislature in aid of public
26 and private hospitals shall be expended under the direction of
27 the department and the expense of administration shall be charged
28 to the appropriation of that department for general
29 administration. The department is authorized to compensate
30 hospitals located in the State of New Hampshire within 15 miles
31 from the Maine-New Hampshire state line or hospitals located in
32 the Provinces of Quebec or New Brunswick, Canada, within 5 miles
33 of the international boundary, when the hospital care is for
34 persons resident in the State of Maine and, in the judgment of
35 the commissioner, adequate local hospital facilities are not
36 available. The department may compensate hospitals at rates it
37 establishes for hospital care of persons whose resources or whose
38 responsible relatives' resources are insufficient. Bills
39 itemizing the expenses of this hospital care, when approved by
40 the department and audited by the State Controller, shall be paid
41 by the Treasurer of State.

42
43 **Sec. 2. 22 MRSA §1708-A** is enacted to read:

44
45 **§1708-A. Appropriations to aid public and private nursing homes;**
46 **compensation**

47
48 A nursing home, as defined in section 1812-A, or any portion
49 of a hospital or institution operated as a nursing home, when the
50 State is liable for payment for care, shall be reimbursed at a
51

1 rate established by the department pursuant to this section. The
2 provisions of this section shall apply to all funds, including
3 federal funds, paid by any agency of the State to a nursing home
4 for patient care.

5
6 1. Payment rate. The department shall establish for each
7 nursing home a payment rate or payment rates relating to various
8 types of care provided in a nursing home. Rates shall be based
9 on the operating costs attributable to each nursing home as
10 determined by the accounting and auditing standards and
11 procedures established by the department. The department shall
12 not establish a flat rate.

13
14 2. Annual increase. The department shall compute an annual
15 increase in each nursing home's payment rate or payment rates.

16
17 A. Except as provided in paragraph B, the department shall
18 use the "skilled nursing facility" market basket forecasts
19 published quarterly by Data Resources, Inc. to determine the
20 annual increase in the payment rate or rates to each nursing
21 home.

22
23 B. To determine the wage component of the annual increase
24 in the payment rate or payment rates, the department shall
25 use the wage proxy values that the Maine Health Care Finance
26 Commission establishes to forecast changes in wages and
27 benefits for hospital employees.

28
29 3. Wage adjustments. The department shall make appropriate
30 adjustments to the payment rates to accommodate costs of wages
31 and benefits.

32
33 A. The department shall not establish a maximum limit on
34 reimbursement for adjustments to the payment rates for costs
35 of wages and benefits.

36
37 B. The department shall adjust the payment rate for each
38 nursing home to reflect the nursing home's actual costs of
39 wages and benefits for all employees, measured by the
40 nursing home's costs of wages and benefits on January 1,
41 1989. The department shall, upon application by a nursing
42 home within 90 days of the determination of this wage
43 adjustment, make an additional adjustment to a nursing
44 home's payment rate or payment rates if the nursing home
45 demonstrates that its costs for wages and benefits on
46 January 1, 1989, do not accurately reflect market conditions
47 in its labor market.

48
49 C. In any subsequent year, if a nursing home demonstrates
50 that its costs for wages and benefits exceed the amount of
51 reimbursement for wages and benefits, the excess costs shall
be shared equally by the nursing home and the department.

