

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1243

S.P. 458

In Senate, April 19, 1989

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator BUSTIN of Kennebec.

Cosponsored by Representative BURKE of Vassalboro, Senator RANDALL of Washington and Representative PENDLETON of Scarborough.

STATE OF MAINE

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

**An Act to Provide for More Equitable Reimbursement to Intermediate Care  
Facilities for the Mentally Retarded.**



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

3 **22 MRSA §3187**, as enacted by PL 1987, c. 402, Pt. A, §141,  
5 is repealed and the following enacted in its place:

7 **§3187. Principles of reimbursement**

9 **1. Review.** The department shall meet annually with  
11 providers of community based intermediate care facilities for the  
mentally retarded to review current principles of reimbursement  
for the United States Code, Title XIX, and discuss necessary and  
appropriate changes.

13 **2. Variable costs.** Principles of reimbursement established  
15 for intermediate care facilities for the mentally retarded shall  
ensure maximum flexibility to enable facilities to shift variable  
17 cost funds within accounts established pursuant to the  
principles. These principles shall not set any artificial limits  
19 on specific variable cost accounts as long as facility totals are  
met.

21 **3. Fixed costs.** Principles of reimbursement established for  
23 intermediate care facilities for the mentally retarded shall  
provide necessary and sufficient reimbursement as fixed expenses  
25 for the following items:

27 **A. Workers' compensation, professional liability and**  
29 **employee health insurance;**

31 **B. Legal defense costs incurred in tort actions against**  
**directors and officers;**

33 **C. Out-of-state travel for professional activities;**

35 **D. General and administrative costs;**

37 **E. Amortization of land purchases;**

39 **F. Costs of complying with federal accreditation standards;**  
41 **and**

43 **G. Such other expenses as the department deems necessary.**

45 **STATEMENT OF FACT**

47  
49 Nonprofit group nursing homes providing residential care to  
51 citizens with mental retardation depend largely on state funding  
through principles of reimbursement promulgated by the Department  
of Human Services. Currently, the principles do not permit  
reimbursement as fixed costs for expenses that have been

1 escalating rapidly for economic reasons beyond the control of  
service providers such as the costs of land and insurance. This  
3 bill requires that the principles of reimbursement be amended to  
allow those costs as fixed costs.