

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 900

H.P. 630

House of Representatives, February 28, 1991

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 Representative CARROLL of Gray.

Cosponsored by Representative MANNING of Portland and Representative BOUTILIER of Lewiston.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Establish a Prospective Reimbursement System for Residential Care Facilities.

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

22 MRSA §7906-B is enacted to read:

§7906-B. Prospective reimbursement for cost-based boarding homes

For fiscal years beginning on or after January 1, 1992 the department shall institute a payment system based on a prospective rate for boarding homes licensed by the department. The prospective rate consists of a variable cost component and a fixed cost component. The department shall establish for each boarding home a payment rate or payment rates relating to various types of care provided in the home that is reasonable and adequate to reflect the cost incurred by an efficiently and economically operated facility in order to provide care and services in conformity with applicable state laws and federal laws, regulations, rules and quality and safety standards.

Facilities that limit their variable costs during the fiscal year to less than amounts paid through the prospective rate shall share the resulting savings with the department. Facilities that incur variable costs during the fiscal year may be reimbursed no more than the amount allowed by the prospective rate.

The initial prospective rate must be based upon the actual cost of operating the facility for the fiscal year beginning on or after January 1, 1991. For subsequent years, the variable cost component must be determined by adjusting the previous year's variable cost component by the projected inflation factor computed by Data Resources, Inc., to reflect the expected increase in goods and services the facility must purchase during the prospective year. For any facility sold after December 30, 1991 the variable cost must be determined from the base cost of the seller. Costs approved through any certificate of need review must determine the variable cost component for new facilities entering the program. The fixed cost component must be determined based on actual fixed costs incurred by the facility for the previous year and adjusted retrospectively.

STATEMENT OF FACT

The State's boarding homes or residential care facilities now care for many people who formerly would have been cared for in nursing homes. The State now receives matching Medicaid reimbursement for many of the services provided by residential care facilities. This bill directs the Department of Human Services to establish a prospective payment system for boarding homes similar to the one used for nursing homes.