

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1605

H.P. 1182

House of Representatives, March 13, 2001

An Act to Control Agency Staffing Costs Affecting Long-term Care.

Reference to the Committee on Health and Human Services suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative KANE of Saco. (By Request)
Cosponsored by Senator PENDLETON of Cumberland and
Representatives: COLWELL of Gardiner, DUDLEY of Portland, FULLER of Manchester,
LOVETT of Scarborough, Speaker SAXL of Portland, Senator: CARPENTER of York.

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

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Sec. 1. 22 MRSA §1708-A is enacted to read:

§1708-A. Nursing agency staff rate control

1. Definition. As used in this section, unless the context otherwise indicates, "nursing staff agency" means a person, firm, corporation, partnership, or association engaged for hire in the business of providing or procuring temporary employment in health care and assisted living facilities for medical personnel, including, but not limited to, nurses, nursing assistants, nurse's aides and orderlies. "Nursing staff agency" does not include an individual who engages only in providing that individual's own services on a temporary basis to health care facilities, or a person engaged in providing temporary services only to health care facilities affiliated with that person.

2. Registration. This subsection governs the registration of a nursing staff agency.

A. A person who operates a nursing staff agency shall register the agency with the department. Each separate location of the business of a nursing staff agency must have a separate registration.

B. The department, by rule, shall establish forms and procedures for the processing of nursing staff agency registration applications, including the payment of a reasonable registration fee.

C. The department, by rule, shall establish minimum standards for the registration and operation of a nursing staff agency. The rules must be designed to protect the public's right to high-quality health care by ensuring that nursing staff agencies employ competent and qualified nursing personnel and that such nursing personnel are provided to health care facilities in a way that meets the needs of residents and patients.

3. Rates. This subsection governs rates charged by a nursing staff agency.

A. The department, by rule and in cooperation with the Department of Labor, shall establish reasonable rates of payment pursuant to this section for services provided by a nursing staff agency registered under this section with the department. In establishing these rates, the department shall take into consideration the reasonable administrative

2 expenses of a nursing staff agency, the wages and benefits
3 paid by the agency to the medical personnel supplied to a
4 health care facility or assisted living facility and an
5 allowance to provide a reasonable return on equity. An
6 agency may not bill or receive payments from a health care
7 facility or assisted living facility at a rate greater than
8 the rate established pursuant to this section.

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10 B. In establishing rates for a nursing staff agency
11 pursuant to this section, the department shall ensure that
12 the portion of the rate attributable to wages and benefits
13 does not exceed the prevailing wages and benefits allowed
14 for permanent medical personnel of the same type at such
15 health care facilities. The department shall also take into
16 consideration the reasonable administrative expenses and an
17 allowance that provides a reasonable return on equity. For
18 the purpose of establishing the rates, the department shall
19 establish procedures by which a nursing staff agency submits
20 accountable cost reports, which may be subject to audit, to
21 the department. The department shall establish interim
22 rates for nursing staff agencies until such time as these
23 reports are complete and permanent rates are established by
24 rule.

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26 4. Rules. Rules adopted by the department pursuant to this
27 section are routine technical rules as defined in Title 5,
28 chapter 375, subchapter II-A.

30 SUMMARY

31 This bill establishes a process for registration and rate
32 setting for agencies that provide nursing staff to health care
33 facilities and assisted living facilities.
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