

MAINE STATE LEGISLATURE

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L.D. 1924

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 722, L.D. 1924, Bill, "An Act to Support a Continuum of Quality Long-term Care Services"

Amend the amendment in Part A by striking out all of sections 1 and 2.

Further amend the amendment in Part A in section 3 in subsection 1 in the last line (page 3, line 26 in amendment) by striking out the following: "; and" and inserting in its place the following: '.'

Further amend the amendment in Part A in section 3 by striking out all of subsection 2 (page 3, lines 28 to 36 in amendment).

Further amend the amendment in Part B by striking out all of section 1.

Further amend the amendment in Part B in section 2 by striking out all of subsection 1 (page 4, lines 34 to 36 in amendment).

Further amend the amendment in Part B in section 2 in subsection 2 in the first line (page 4, line 38 in amendment) by striking out the following: "2." and inserting in its place the following: '1.'

2 Further amend the amendment by striking out all of Parts C
and D.

4
6 Further amend the amendment by striking out all of Parts F,
G and H.

8 Further amend the amendment by inserting after Part H the
following:

10 **PART I**

12 **Sec. I-1. Report on fiscal health of long-term care system.** By
14 January 15, 2003, the Department of Human Services, the Maine
Health Care Association and the Maine Hospital Association shall
16 work together and shall present a report to the joint standing
committees of the Legislature having jurisdiction over health and
18 human services matters and over appropriations and financial
affairs regarding the fiscal health of the Maine long-term care
20 system that provides care in a residential setting. The report
must include information on the following issues:

22 1. An analysis of costs and reimbursement in long-term
24 care, including a 5-year retrospective and a projection of costs
and reimbursement in the future if the existing principles of
26 reimbursement and the rate setting system are utilized;

28 2. An analysis of the strengths and weaknesses of the
principles of reimbursement and other mechanisms used for setting
30 rates and reimbursement, including analysis of mechanisms used in
other states to ensure fair payment to providers, including
32 inflation factors and adjustments for regional variations in
labor costs; and

34 3. An analysis of reimbursement for nursing facilities,
36 including reimbursement for the direct care component, the
routine cost component and the fixed cost component, including
38 inflation factors and limitations on expenditures imposed by
category of cost or comparison with other facilities.'

40 Further amend the amendment by relettering or renumbering
42 any nonconsecutive Part letter or section number to read
consecutively.

44 **FISCAL NOTE**

46 The amendment deletes provisions of the bill that have a
48 significant current and future year fiscal impact. The amendment
eliminates the General Fund appropriation included in the bill of

\$132,284 in fiscal year 2002-03. The amendment also eliminates the General Fund costs of the bill in the next biennium estimated to be \$3,612,665 in fiscal year 2003-04 and \$3,793,299 in fiscal year 2004-05.

The amendment eliminates the fiscal year 2002-03 Federal Expenditures Fund allocation of \$260,367 included in the bill for the federal match. The amendment also eliminates the need for the additional Federal Expenditures Fund allocation for the bill for the next biennium.

The amendment retains the bill's provision modifying Department of Human Services rules governing the appeal of informal review decisions on nursing homes and PNMI payment and cost-report audit issues. The bill requires that the department contract for independent, impartial hearing officer services and absorb the cost of these services within existing resources. The programmatic impact of requiring that the department absorb these costs within existing resources can not be determined at this time.

Any additional costs associated with the new reporting requirements included in the amendment can be absorbed by the Department of Human Services utilizing existing budgeted resources.

SUMMARY

This amendment removes the provisions regarding adjustment of Medicaid reimbursement for long-term care. It also removes provisions that would have increased reimbursement to nursing homes and residential care facilities. It retains the provisions that provide for independent hearing officers to hear appeals. It removes the specific procedures on budget preparation by the Department of Human Services and the Governor. It requires a report by January 15, 2003 from the Department of Human Services, the Maine Health Care Association and the Maine Hospital Association regarding the fiscal health of the Maine long-term care system that provides care in a residential setting.

SPONSORED BY:
(Representative KANE)

TOWN: Saco