

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)



121st MAINE LEGISLATURE

SECOND REGULAR SESSION-2004

Legislative Document

No. 1791

H.P. 1313

House of Representatives, December 22, 2003

An Act To Restore Funding for Certain Nursing Facilities and Residential Care Facilities

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 17, 2003. Referred to the Committee on Health and Human Services pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative RICHARDSON of Brunswick.
Cosponsored by Senator MARTIN of Aroostook and
Representatives: CURLEY of Scarborough, EARLE of Damariscotta, FISCHER of Presque Isle, KANE of Saco, PATRICK of Rumford, ROSEN of Bucksport, SAVIELLO of Wilton,
Senator: President DAGGETT of Kennebec.

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

4 Whereas, this legislation requires reimbursement for
6 services provided by nursing facilities and residential care
facilities; and

8 Whereas, without the reimbursement, the ability of the
10 facilities to provide services to residents requiring these
services will be severely hampered; and

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

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

20
22 **Sec. 1. 22 MRSA §1719** is enacted to read:

24 **§1719. Residential care facility reimbursement**

26 The department shall include in its calculation of
28 reimbursement for services provided by residential care
30 facilities an allowance for a reasonable return on equity capital
invested in those facilities and an annual adjustment for the
cost of living.

32 **Sec. 2. 22 MRSA §1815**, as amended by PL 2003, c. 507, Pt. C,
§1 and affected by §4, is further amended to read:

34 **§1815. Fees**

36 Each application for a license to operate a hospital,
38 convalescent home or nursing home must be accompanied by a
nonrefundable fee. Hospitals shall pay \$40 for each bed
40 contained within the facility. Nursing and convalescent homes
shall pay ~~\$26~~ \$10 for each bed contained within the facility.
42 Each application for a license to operate an ambulatory surgical
facility must be accompanied by the fee established by the
44 department. The department shall establish the fee for an
ambulatory surgical facility, not to exceed \$500, on the basis of
46 a sliding scale representing size, number of employees and scope
of operations. All licenses issued must be renewed annually upon
48 payment of a like fee. The State's share of all fees received by
the department under this chapter must be deposited in the
50 General Fund. A license granted may not be assignable or

transferable. State hospitals are not required to pay licensing fees.

Sec. 3. 22 MRSA §3187-A is enacted to read:

§3187-A. Intermediate care facility efficiency incentive

An intermediate care facility for persons with mental retardation that limits its variable costs during the fiscal year to less than the amounts paid through the variable cost component of the final prospective rate is entitled to retain an incentive payment equal to 75% of the savings represented by the difference between the department's appropriate share of the intermediate care facility's allowable expenses and the amount paid by the department. The amount of the incentive payment is determined upon final audit and is calculated in the determination of any overpayments made by the department.

Sec. 4. PL 2003, c. 20, Pt. K, §17 is amended to read:

Sec. 5. Suspension of inflation and return on equity payments to nursing facilities. Notwithstanding any other provisions of law, the Department of Human Services may not include in its reimbursement of nursing facilities under the MaineCare program any amounts designed to provide for inflation adjustments or a return on equity capital for state fiscal years year 2003-04 and ~~2004-05~~.

Sec. 6. Appropriations and allocations. The following appropriations and allocations are made.

HUMAN SERVICES, DEPARTMENT OF

Medical Care - Payments to Providers 0147

Initiative: Restores MaineCare reimbursement reduced by Public Law 2003, chapter 20, Part B, section 1 for private nonmedical institution bed-hold days. Reimbursement for bed-hold days will be restored to 100% from 75% of a facility's per diem rate. This change would apply only to those facilities categorized as medical and remedial.

General Fund	2003-04	2004-05
All Other	\$0	\$200,000
General Fund Total	<hr/>	<hr/>
	\$0	\$200,000
Federal Expenditures Fund	2003-04	2004-05
All Other	\$0	\$388,408
	<hr/>	<hr/>

2	Federal Expenditures Fund Total	\$0	\$388,408
4	Nursing Facilities 0148		
6	Initiative: Restores the cost-of-living adjustment for nursing facilities removed by Public Law 2003, chapter 20, Part B, section 1. The annual cost-of-living adjustment has historically been approximately 3%.		
10	General Fund	2003-04	2004-05
12	All Other	\$0	\$1,600,000
14	General Fund Total	<hr/>	<hr/>
		\$0	\$1,600,000
16	Federal Expenditures Fund	2003-04	2004-05
18	All Other	\$0	\$3,114,202
20	Federal Expenditures Fund Total	<hr/>	<hr/>
		\$0	\$3,114,202
22	Nursing Facilities 0148		
24	Initiative: Restores the return on equity for both nonprofit and for-profit nursing facilities reduced by Public Law 2003, chapter 20, Part B, section 1.		
26	General Fund	2003-04	2004-05
28	All Other	\$0	\$450,000
30	General Fund Total	<hr/>	<hr/>
		\$0	\$450,000
32	Federal Expenditures Fund	2003-04	2004-05
34	All Other	\$0	\$873,919
36	Federal Expenditures Fund Total	<hr/>	<hr/>
		\$0	\$873,919
38	Nursing Facilities 0148		
40	Initiative: Restores funding to permit intermediate care facilities for persons with mental retardation to retain 75% of savings following audit.		
42	General Fund	2003-04	2004-05
44	All Other	\$0	\$100,000
46	General Fund Total	<hr/>	<hr/>
		\$0	\$100,000
48	Federal Expenditures Fund	2003-04	2004-05
50	All Other	\$0	\$200,000
	Federal Expenditures Fund Total	<hr/>	<hr/>
		\$0	\$200,000

2 **Medical Care - Payments to Providers 0147**

4 Initiative: Provides for the appropriation of funds necessary to
 6 restore the return on equity adjustment to certain residential
 care facilities reduced by Public Law 2003, chapter 20, Part B,
 section 1.

8	General Fund	2003-04	2004-05
10	All Other	\$0	\$350,000
12	General Fund Total	<hr/>	<hr/>
		\$0	\$350,000
14	Federal Expenditures Fund	2003-04	2004-05
	All Other	\$0	\$350,000
16	Federal Expenditures Fund Total	<hr/>	<hr/>
		\$0	\$350,000

18 **Medical Care - Payments to Providers 0147**

20 Initiative: Provides for the appropriation of funds necessary to
 22 restore the cost-of-living adjustment for residential care
 facilities removed by Public Law 2003, chapter 20, Part B,
 24 section 1. The annual cost-of-living adjustment has historically
 been approximately 3%.

26	General Fund	2003-04	2004-05
28	All Other	\$0	\$800,000
30	General Fund Total	<hr/>	<hr/>
		\$0	\$800,000
32	Federal Expenditures Fund	2003-04	2004-05
	All Other	\$0	\$800,000
34	Federal Expenditures Fund Total	<hr/>	<hr/>
		\$0	\$800,000

36 **HUMAN SERVICES, DEPARTMENT OF**
 38 **DEPARTMENT TOTALS**

		2003-04	2004-05
40	GENERAL FUND	\$0	\$3,500,000
	FEDERAL EXPENDITURES FUND	0	5,726,529
42	DEPARTMENT TOTAL - ALL FUNDS	<hr/>	<hr/>
		\$0	\$9,226,529

44 **Emergency clause.** In view of the emergency cited in the
 46 preamble, this Act takes effect July 1, 2004.

48

SUMMARY

2

4 This bill requires the Department of Human Services to
6 include in its calculation of reimbursement for services provided
8 by residential care facilities an allowance for a reasonable
10 return on equity capital invested in those facilities and an
12 annual adjustment for the cost of living. This bill also allows
 an intermediate care facility for persons with mental retardation
 to retain an incentive payment for savings equal to 75% of the
 Department of Human Services' estimate of the facility's
 allowable expenses and the amount actually paid by the department
 for those expenses.

14 This bill also repeals language suspending the inflation and
16 return on equity payments to nursing facilities for fiscal year
 2004-05. This bill also repeals the increase in licensing fees
 for nursing and convalescent homes.

18

20 Finally, this bill restores for fiscal year 2004-05 various
22 appropriations to nursing facilities and residential care
24 facilities that were cut by Public Law 2003, chapter 20,
 including the restoration of reimbursement for bed-hold days for
 residential care facilities; the cost-of-living adjustment to
 nursing facilities; the return on equity for nursing facilities;
26 the return on equity adjustment to certain residential care
 facilities; and the cost-of-living increase for certain
 residential care facilities.