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H.P. 1402

House of Representatives, February 7, 2006

An Act To Ensure Appropriate Reimbursement of Rising Energy Costs for Long-term Care Facilities

(EMERGENCY)

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

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

Millicent M. Mag Jarland

MILLICENT M. MacFARLAND Clerk

Presented by Speaker RICHARDSON of Brunswick. Cosponsored by Representative: PINGREE of North Haven, Senator: MAYO of Sagadahoc. 1 **Emergency preamble. Whereas,** acts of the Legislature do not become effective 2 until 90 days after adjournment unless enacted as emergencies; and

Whereas, long-term care facilities face rapidly rising energy costs for heating oil, electricity, natural gas and other energy sources due to overall market conditions and catastrophic hurricane damage to refineries and related infrastructure, and these increases are anticipated to exceed 40% over prior year costs; and

7 Whereas, such energy costs are currently subject to a routine cost cap limitation 8 under applicable MaineCare principles of reimbursement, and these long-term care 9 facilities require appropriate relief from these limitations in order to provide for resident 10 safety and to obtain appropriate reimbursement; and

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

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

Sec. 1. Rules governing reimbursement of energy costs. The Department of 16 Health and Human Services shall amend its rules governing principles of reimbursement 17 18 for nursing facilities and residential care facilities to require recognition and proper reimbursement of rising energy costs. For facility fiscal years ending between October 1, 19 20 2005 and September 30, 2006, and for each of the next 2 facility fiscal years, these 21 energy costs, whether in the form of fuel oil, electricity, natural gas or another energy source, must be treated as fixed costs that are fully reimbursed and are not subject to 22 23 routine cost caps or other types of limitations. For private nonmedical institutions that do 24 not receive MaineCare reimbursement as residential care facilities but instead receive a 25 predetermined room and board rate as part of their MaineCare private nonmedical institution reimbursement, the room and board rate must be adjusted upward over the next 26 27 3 fiscal years to provide sufficient reimbursement to cover rapidly rising energy costs.

28 Emergency clause. In view of the emergency cited in the preamble, this Act takes
29 effect when approved.

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SUMMARY

31 This bill requires the Department of Health and Human Services to amend its principles of reimbursement for long-term care facilities to provide proper recognition of 32 rapidly rising energy costs. The changes would affect each of the next 3 fiscal years for 33 34 these facilities. Under the bill, these costs will be reclassified as fixed costs that are fully 35 reimbursed and will no longer be subject to routine cost caps. For those private 36 nonmedical institutions that receive predetermined room and board rates, these rates must 37 be adjusted upward over the next 3 fiscal years to provide sufficient reimbursement to 38 cover rapidly rising energy costs.