

# 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)



# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

---

Legislative Document

No. 1669

H.P. 1178

House of Representatives, March 22, 2007

### **An Act To Amend the Laws Governing Reimbursement of Nursing Facilities**

---

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

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND

Clerk

Presented by Speaker CUMMINGS of Portland.  
Cosponsored by President EDMONDS of Cumberland and  
Representatives: FISCHER of Presque Isle, MILLER of Somerville, PERRY of Calais,  
PINGREE of North Haven, Senator: MITCHELL of Kennebec.

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

2 **Sec. 1. 22 MRSA §1708, sub-§3, ¶D**, as corrected by RR 2001, c. 2, Pt. A, §33  
3 and amended by PL 2003, c. 689, Pt. B, §6, is further amended to read:

4 D. Ensure that any calculation of an occupancy percentage or other basis for  
5 adjusting the rate of reimbursement for nursing facility services to reduce the amount  
6 paid in response to a decrease in the number of residents in the facility or the  
7 percentage of the facility's occupied beds excludes all beds that the facility has  
8 removed from service for all or part of the relevant fiscal period in accordance with  
9 section 333. If the excluded beds are converted to residential care beds or another  
10 program for which the department provides reimbursement, nothing in this paragraph  
11 precludes the department from including those beds for purposes of any occupancy  
12 standard applicable to the residential care or other program pursuant to duly adopted  
13 rules of the department; ~~and~~

14 **Sec. 2. 22 MRSA §1708, sub-§3, ¶E**, as enacted by PL 2001, c. 666, Pt. A, §1  
15 and affected by Pt. E, §1, is amended to read:

16 E. Contain an annual inflation adjustment that:

17 (1) Recognizes regional variations in labor costs and the rates of increase in  
18 labor costs determined pursuant to the principles of reimbursement and  
19 establishes at least 4 regions for purposes of annual inflation adjustments; and

20 (2) Uses the applicable regional inflation factor as established by a national  
21 economic research organization selected by the department to adjust costs other  
22 than labor costs or fixed costs.

23 Rules adopted pursuant to this paragraph are routine technical rules as defined in  
24 Title 5, chapter 375, subchapter ~~H-A~~ 2-A;

25 **Sec. 3. 22 MRSA §1708, sub-§3, ¶F** is enacted to read:

26 F. For a facility's fiscal year that ends subsequent to July 1, 2007, use as base year  
27 costs the audited allowable costs of the facility detailed in the facility's audited cost  
28 report for the fiscal year ending between July 1, 2004 and June 30, 2005;

29 **Sec. 4. 22 MRSA §1708, sub-§3, ¶G** is enacted to read:

30 G. For a facility's fiscal year that ends subsequent to July 1, 2007, fully reimburse  
31 the facility's actual heating costs by treating these costs as fixed costs that are not  
32 subject to routine cost caps or other types of limitations; and

33 **Sec. 5. 22 MRSA §1708, sub-§3, ¶H** is enacted to read:

34 H. For a facility's fiscal year ending subsequent to July 1, 2007, increase the  
35 administration and policy-planning ceiling as follows:

36 (1) For up to 30 beds, \$51,699 plus an additional \$873 for each licensed bed over  
37 10 beds;

1           (2) For 31 to 50 beds, \$74,242 plus an additional \$747 for each licensed bed over  
2           30 beds;

3           (3) For 51 to 100 beds, \$92,294 plus an additional \$496 for each licensed bed  
4           over 50 beds; and

5           (4) For over 100 beds, \$124,215 plus an additional \$379 for each licensed bed  
6           over 100 beds.

7           The department shall increase the ceiling under this paragraph quarterly to reflect the  
8           rate of inflation.

9           **Sec. 6. 22 MRSA §1720**, as enacted by PL 2005, c. 242, §1, is amended to read:

10       **§1720. Nursing facility medical director reimbursement**

11           The department shall include in its calculation of reimbursement for services  
12           provided by a nursing facility an allowance for the cost of a medical director in a base  
13           year amount ~~not to exceed~~ equal to the facility's actual costs for compensating medical  
14           director services up to \$10,000, with that amount being subject to an annual cost-of-living  
15           adjustment.

16           **Sec. 7. Appropriations and allocations.** The following appropriations and  
17           allocations are made.

18       **HEALTH AND HUMAN SERVICES, DEPARTMENT OF**

19       **Nursing Facilities 0148**

20           Initiative: Appropriates and allocates funds for the costs of rebasing nursing facility costs  
21           to a base year determined by audited allowable costs for a facility's fiscal year ending  
22           between July 1, 2004 and June 30, 2005.

23

24 <b>GENERAL FUND</b>	<b>2007-08</b>	<b>2008-09</b>
25           All Other	\$6,000,000	\$12,000,000
26		
27       GENERAL FUND TOTAL	<u>\$6,000,000</u>	<u>\$12,000,000</u>

28

29 <b>FEDERAL EXPENDITURES FUND</b>	<b>2007-08</b>	<b>2008-09</b>
30           All Other	\$12,000,000	\$24,000,000
31		
32       FEDERAL EXPENDITURES FUND TOTAL	<u>\$12,000,000</u>	<u>\$24,000,000</u>

1

## SUMMARY

2        This bill makes ongoing General Fund appropriations of \$6,000,000 in fiscal year  
3 2007-08 and \$12,000,000 in fiscal year 2008-09 and ongoing Federal Expenditure Fund  
4 allocations of \$12,000,000 in fiscal year 2007-08 and \$24,000,000 in fiscal year 2008-09  
5 for the costs of rebasing nursing facility costs to a base year determined by audited  
6 allowable costs for a facility's fiscal year ending between July 1, 2004 and June 30, 2005.

7        This bill requires the Department of Health and Human Services to fully reimburse a  
8 nursing home's actual heating costs and adjusts the administration and policy-planning  
9 ceiling and requires the ceiling to be adjusted quarterly according to inflation. This bill  
10 also requires the Department of Health and Human Services to reimburse a nursing  
11 facility for actual additional medical director expenses up to \$10,000.