

MAINE STATE LEGISLATURE

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L.D. 1776

Date: 4/11/14

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STATE OF MAINE
SENATE
126TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 704, L.D. 1776, Bill, "An Act To Implement the Recommendations of the Commission To Study Long-term Care Facilities"

Amend the amendment by inserting after the 3rd indented paragraph after the title the following:

'Amend the bill in section 2 by striking out all of subsection 4 (page 3, lines 6 to 15 in L.D.)'

Amend the amendment by inserting after the 5th indented paragraph after the title the following:

'Amend the bill in section 2 in subsection 6 in the first line (page 3, line 22 in L.D.) by striking out the following: "2014" and inserting the following: "2015"'

Amend the amendment by inserting after the 7th indented paragraph after the title the following:

'Amend the bill in section 2 by renumbering the subsections to read consecutively.

Amend the bill by striking out all of section 3 (page 3, lines 30 to 40 in L.D.) and inserting the following:

Sec. 3. Savings arising from recoveries in excess of projections. Resources to fund the reimbursement relief requirement under sections 1 and 2 must be identified and made available as follows.

1. The Department of Health and Human Services shall immediately take all necessary actions to collect all remaining cost-of-care overpayments to nursing facilities and private nonmedical institutions that were paid when the department's computer systems, when providing reimbursement owed by the department, failed to take into account the financial contributions paid by residents in the nursing facilities and private nonmedical institutions and miscalculated the amounts payable under the MaineCare program.

2. The Commission To Continue the Study of Long-term Care Facilities established under section 5, in addition to its other powers and duties, shall gather and evaluate all information necessary to determine the extent that collections of cost-of-care

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1 overpayments, and other savings initiatives of the Department of Health and Human
2 Services completed on the effective date of this section or in progress on the effective
3 date of this section, have resulted in savings in excess of amounts projected to be saved in
4 developing and reporting budget information, referred to in this section as "available
5 savings," to the Legislature or the Governor. The department shall assist the commission
6 by providing requested information and making available appropriate staff for discussion
7 and analysis of such information. The commission may also request and use information
8 that may be compiled and submitted to it by associations representing providers of
9 long-term care in the State. The available savings identified by the commission must
10 provide a minimum of \$8,000,000 in General Fund savings in fiscal year 2014-15.' '

11 Amend the amendment by striking out all of section 7 (page 1, lines 33 and 34 and
12 page 2, lines 1 to 28 and page 3, lines 1 to 13 in amendment) and inserting the following:

13 **Sec. 7. Appropriations and allocations.** The following appropriations and
14 allocations are made.

15 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

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

17 Initiative: Deappropriates funds for recovery of overpayments to providers due to errors
18 in calculating cost-of-care and for continued proper application of cost-of-care rules.

19	GENERAL FUND	2013-14	2014-15
20	All Other	\$0	(\$8,000,000)
21			
22	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$8,000,000)</u>

23 **Nursing Facilities 0148**

24 Initiative: Provides funding for increased reimbursements under the MaineCare program
25 for nursing facilities.

26	GENERAL FUND	2013-14	2014-15
27	All Other	\$0	\$9,007,083
28			
29	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$9,007,083</u>

30	FEDERAL EXPENDITURES FUND	2013-14	2014-15
31	All Other	\$0	\$14,570,124
32			
33	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$14,570,124</u>

34 **Nursing Facilities 0148**

35 Initiative: Adjusts funds to reflect additional nursing home provider tax revenue.

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1	GENERAL FUND	2013-14	2014-15
2	All Other	\$0	(\$1,414,632)
3			
4	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$1,414,632)</u>
5	OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
6	All Other	\$0	\$1,414,632
7			
8	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$1,414,632</u>
9	Nursing Facilities 0148		
10	Initiative: Provides funds for increased nursing home costs.		
11	GENERAL FUND	2013-14	2014-15
12	All Other	\$0	\$378,292
13			
14	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$378,292</u>
15	FEDERAL EXPENDITURES FUND	2013-14	2014-15
16	All Other	\$0	\$611,945
17			
18	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$611,945</u>
19	HEALTH AND HUMAN SERVICES,		
20	DEPARTMENT OF (FORMERLY DHS)		
21	DEPARTMENT TOTALS	2013-14	2014-15
22			
23	GENERAL FUND	\$0	(\$29,257)
24	FEDERAL EXPENDITURES FUND	\$0	\$15,182,069
25	OTHER SPECIAL REVENUE FUNDS	\$0	\$1,414,632
26			
27	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$16,567,444</u>
28			

29 **SUMMARY**

30 This amendment removes the provisions that require the Department of Health and
 31 Human Services to amend rules governing principles of reimbursement for nursing
 32 facilities as they relate to the inclusion of the costs of health insurance for nursing facility
 33 personnel. It delays by one year the supplemental payment to nursing facilities with a
 34 high percentage of MaineCare residents. It requires the Commission To Continue the

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1 Study of Long-term Care Facilities to determine the extent that collections of cost-of-care
2 overpayments and other savings initiatives of the department have resulted in savings in
3 excess of amounts projected to be saved in developing and reporting budget information
4 to the Legislature or the Governor. These savings must provide a minimum of
5 \$8,000,000 in General Fund savings in fiscal year 2014-15. This amendment replaces the
6 appropriations and allocations section in the committee amendment.

7 **FISCAL NOTE REQUIRED**

8 (See attached)

9 SPONSORED BY: Margaret Craven
10 (Senator CRAVEN)

11 COUNTY: Androscoggin

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126th MAINE LEGISLATURE

LD 1776

LR 2744(05)

An Act To Implement the Recommendations of the Commission To Study Long-term Care Facilities

Fiscal Note for Senate Amendment "A" to Committee Amendment "A"

Sponsor: Sen. Craven of Androscoggin

Fiscal Note Required: Yes

Fiscal Note

Legislative Cost/Study

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	(\$12,086,114)	(\$3,104,218)	(\$3,101,218)
Appropriations/Allocations				
General Fund	\$0	(\$12,086,114)	(\$3,104,218)	(\$3,101,218)
Federal Expenditures Fund	\$0	(\$8,114,611)	(\$6,244,378)	\$146,755,622
Other Special Revenue Funds	\$0	(\$756,102)	(\$581,837)	(\$581,837)
Revenue				
Other Special Revenue Funds	\$0	(\$756,102)	(\$581,837)	(\$581,837)

Legislative Cost/Study

The amendment makes no changes to the bill's two separate commissions.

Fiscal Detail and Notes

This fiscal note reflects the incremental impact of the amendment. As a result of changes made to the nursing home reimbursement initiative the total appropriation for the initiative is reduced by \$4.1 million in fiscal year 2014-15 in the Nursing Facilities program in the Department of Health and Human Services. The revised estimated impact is summarized in the table below.

		2014-15	
		Total Costs	State Share
Nursing Facility Costs			
Cost of moving health insurance to fixed costs:	Direct Cost	\$0	\$0
	Routine Cost	\$0	\$0
Supplemental payment for MaineCare days over 70% at \$.40/day		\$0	\$0
Additional cost of Management Allowance above ceiling (no limit)		\$7,919,211	\$3,025,376
Rebasing routine cost CAP to 110% of median by peer group		\$10,501,442	\$4,011,866
Rebasing direct care CAP to 110% of median by peer group		\$5,156,554	\$1,969,958
Total Impact		\$23,577,207	\$9,007,200

The amendment also includes a deappropriation of \$8 million in fiscal year 2014-15 in the Medical Care- Payments to Providers program for recovery of overpayments to providers due to errors in calculating cost-of-care and for continued proper application of cost-of-care rules. DHHS has indicated it had cost-of-care collections of \$10.4 million in fiscal year 2012-13 and expects to recover \$13.9 million in fiscal year 2013-14 and \$9.0 million in fiscal year 2014-15. DHHS has also indicated these recoveries have been included in their MaineCare shortfall forecast used to prepare the 2014-2015 supplemental budget request. Accordingly, additional recoveries or savings above these amounts would be necessary to meet the \$8 million deappropriation.