

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1864

S.P. 758

In Senate, May 1, 2014

**An Act To Support Nursing Facilities and Home Care for Seniors
and Create a Tax Credit for Primary Care Professionals Practicing
in Underserved Areas**

(EMERGENCY)

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator HAMPER of Oxford. (GOVERNOR'S BILL)

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

3 **Whereas,** many nursing facilities are under imminent threat of closure as a result of
4 chronic underfunding; and

5 **Whereas,** additional funding provided as soon as possible could prevent the closure
6 of nursing homes, many of which are in rural locations; and

7 **Whereas,** additional funding provided as soon as possible could assist seniors to age
8 in place without their needing to transfer to nursing facilities; and

9 **Whereas,** nursing facilities and adult day services are essential parts of the
10 continuum of health care; and

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

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

16 **Sec. 1. 36 MRSA §5219-LL** is enacted to read:

17 **§5219-LL. Primary care access credit**

18 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
19 following terms have the following meanings.

20 A. "Eligible primary care professional" means a person licensed under Title 32,
21 chapter 31, subchapter 3 or subchapter 4; Title 32, chapter 36, subchapter 4; or Title
22 32, chapter 48, subchapter 2 and who, on or after January 1, 2013:

23 (1) First begins practicing primary care medicine in the State by joining an
24 existing health care practice in an underserved area or establishing a new health
25 care practice or purchasing an existing health care practice in an underserved
26 area;

27 (2) Agrees to practice full time for at least 5 years in an underserved area;

28 (3) Is certified under subsection 3 to be eligible by the Department of Health and
29 Human Services; and

30 (4) Has an unpaid student loan owed to an institution for course work directly
31 related to that person's training in primary care medicine.

32 B. "Underserved area" means an area in the State that is a health professional
33 shortage area or medically underserved area or that contains a medically underserved
34 population as defined by the federal Department of Health and Human Services,
35 Health Resources and Services Administration.

1 **2. Credit.** For tax years beginning on or after January 1, 2014 but before January 1,
2 2019, an eligible primary care professional is allowed a credit against the taxes due under
3 this Part as follows.

4 A. The credit may be claimed in the first year that the eligible primary care
5 professional meets the conditions of eligibility for at least 6 months and each of the 4
6 subsequent years or until the student loan of the eligible primary care professional is
7 paid in full, whichever comes first.

8 B. The credit may be claimed in an amount equal to the annual payments made on
9 the student loan not to exceed \$6,000 in the first year, \$9,000 in the 2nd year,
10 \$12,000 in the 3rd year, \$15,000 in the 4th year and \$18,000 in the 5th year.

11 C. The credit may not reduce the tax due under this Part to less than zero.

12 **3. Eligibility limitation; certification.** The Department of Health and Human
13 Services shall certify up to 5 eligible primary care professionals each year. The
14 Department of Health and Human Services shall monitor certified primary care
15 professionals to ensure that they continue to be eligible for the credit under this section
16 and shall decertify any primary care professional who ceases to meet the conditions of
17 eligibility. The Department of Health and Human Services shall notify the bureau
18 whenever a primary care professional is certified or decertified. A decertified primary
19 care professional ceases to be eligible for the credit under this section beginning with the
20 tax year during which the primary care professional is decertified.

21 **4. Rules.** The Department of Health and Human Services may adopt rules to
22 implement this section. Rules adopted pursuant to this subsection are routine technical
23 rules as defined in Title 5, chapter 375, subchapter 2-A.

24 **5. Annual report.** By January 15, 2016 and annually thereafter, the Department of
25 Health and Human Services and the bureau shall submit a report to the joint standing
26 committee of the Legislature having jurisdiction over taxation matters. The report must
27 indicate the number of eligible primary care professionals certified and decertified each
28 year by the Department of Health and Human Services pursuant to this section and the
29 total annual loss of revenue attributable to the credit under subsection 2.

30 **Sec. 2. Transfer; Fund for a Healthy Maine; General Fund.**
31 Notwithstanding any other provision of law, the State Controller shall transfer \$4,547,371
32 from the Fund for a Healthy Maine to the unappropriated surplus of the General Fund no
33 later than June 30, 2015.

34 **Sec. 3. Department of Health and Human Services directed to increase**
35 **reimbursement rates for adult day services.** The Department of Health and
36 Human Services shall adopt rules on an emergency basis to increase reimbursement rates
37 for adult day services programs in Chapter 101: MaineCare Benefits Manual, Chapter II,
38 Sections 19 and 26 and Chapter 5: Office of Elder Services Policy Manual, Sections 61
39 and 63 to \$12 per hour beginning July 1, 2014. Following adoption of the emergency
40 rules, the department shall complete nonemergency rulemaking to implement this section.
41 Rules adopted pursuant to this section are routine technical rules as described in the
42 Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

1 **Sec. 4. Appropriations and allocations.** The following appropriations and
2 allocations are made.

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

4 **Long Term Care - Office of Aging and Disability Services 0420**

5 Initiative: Appropriates funds for an increase in the reimbursement rate for adult day
6 services to \$12 per hour.

7

8 GENERAL FUND	2013-14	2014-15
9 All Other	\$0	\$57,095
10		
11 GENERAL FUND TOTAL	<u>\$0</u>	<u>\$57,095</u>

12 **Low-cost Drugs To Maine's Elderly 0202**

13 Initiative: Allocates funds on a one-time basis for access to transitional assistance for
14 Medicare Savings Program members who are losing state assistance with Medicare Part
15 D plan selection.

16

17 FUND FOR A HEALTHY MAINE	2013-14	2014-15
18 All Other	\$0	\$275,000
19		
20 FUND FOR A HEALTHY MAINE TOTAL	<u>\$0</u>	<u>\$275,000</u>

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

22 Initiative: Appropriates and allocates funds for an increase in the reimbursement rate for
23 adult day services to \$12 per hour.

24

25 GENERAL FUND	2013-14	2014-15
26 All Other	\$0	\$46,416
27		
28 GENERAL FUND TOTAL	<u>\$0</u>	<u>\$46,416</u>

29

30 FEDERAL EXPENDITURES FUND	2013-14	2014-15
31 All Other	\$0	\$75,109
32		
33 FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$75,109</u>

34 **Nursing Facilities 0148**

35 Initiative: Provides one-time funding for increased reimbursements under the MaineCare
36 program for nursing facilities.

37

1	GENERAL FUND	2013-14	2014-15
2	All Other	\$0	\$4,915,699
3			
4	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$4,915,699</u>

5			
6	FEDERAL EXPENDITURES FUND	2013-14	2014-15
7	All Other	\$0	\$7,951,780
8			
9	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$7,951,780</u>

10 **Nursing Facilities 0148**

11 Initiative: Provides one-time funds for increased nursing home costs.

12			
13	GENERAL FUND	2013-14	2014-15
14	All Other	\$0	\$206,459
15			
16	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$206,459</u>

17			
18	FEDERAL EXPENDITURES FUND	2013-14	2014-15
19	All Other	\$0	\$333,975
20			
21	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$333,975</u>

22 **Nursing Facilities 0148**

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

24			
25	GENERAL FUND	2013-14	2014-15
26	All Other	\$0	(\$772,049)
27			
28	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$772,049)</u>

29			
30	OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
31	All Other	\$0	\$772,049
32			
33	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$772,049</u>

34 **Office of Aging and Disability Services Central Office 0140**

35 Initiative: Appropriates funds for an increase in the reimbursement rate for adult day
36 services to \$12 per hour.

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GENERAL FUND	2013-14	2014-15
All Other	\$0	\$71,521
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$71,521</u>

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS) DEPARTMENT TOTALS	2013-14	2014-15
GENERAL FUND	\$0	\$4,525,141
FEDERAL EXPENDITURES FUND	\$0	\$8,360,864
FUND FOR A HEALTHY MAINE	\$0	\$275,000
OTHER SPECIAL REVENUE FUNDS	\$0	\$772,049
DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$13,933,054</u>

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

SUMMARY

This bill provides a primary care access tax credit to up to 5 eligible primary care professionals each year who practice in an underserved area in the State. It creates a graduated schedule for claiming the credit allowing an eligible primary care professional to claim an amount equal to the annual payments made on the professional's student loan not to exceed \$6,000 in the first year, \$9,000 in the 2nd year, \$12,000 in the 3rd year, \$15,000 in the 4th year and \$18,000 in the 5th year.

This bill also provides that the primary care access credit is available for tax years beginning on or after January 1, 2014 but before January 1, 2019. It requires the Department of Health and Human Services and the Department of Administrative and Financial Services, Maine Revenue Services to submit an annual report to the joint standing committee of the Legislature having jurisdiction over taxation matters beginning on January 15, 2016 indicating the number of eligible primary care professionals certified and decertified each year by the Department of Health and Human Services and the total annual loss of revenue attributable to the primary care access credit.

This bill uses one-time tobacco settlement funds from the Fund for a Healthy Maine to support health services for the elderly, including nursing home funding, transitional assistance with Medicare Part D plan selection and an increase for adult day services reimbursement. This bill also uses one-time tobacco settlement funds from the Fund for a Healthy Maine for the primary care access tax credit.