

# MAINE STATE LEGISLATURE

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SMC  
R. of S.

Date: 5/11/2017

(Filing No. S- 9J )

**HEALTH AND HUMAN SERVICES**

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**STATE OF MAINE**

**SENATE**

**128TH LEGISLATURE**

**FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 178, L.D. 517, Bill, "An Act To Amend Principles of Reimbursement for Nursing Facilities and for Residential Care Facilities"

Amend the bill by striking out all of section 1 and inserting the following:

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

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

The department shall include in its calculation of reimbursement for services provided by a nursing facility an allowance for the cost of a medical director in a base year amount not to exceed \$10,000 \$22,000, with that amount being subject to an annual cost-of-living adjustment.'

Amend the bill in section 2 in §7863 in subsection 1 in the 3rd line (page 1, line 12 in L.D.) by striking out the following: "\$2,000,000" and inserting the following: '\$500,000'

Amend the bill in section 2 in §7863 in subsection 1 in the 6th line (page 1, line 15 in L.D.) by striking out the following: "\$2,000,000" and inserting the following: '\$500,000'

Amend the bill in section 2 in §7863 in subsection 1 in the last line (page 1, line 19 in L.D.) by striking out the following: "\$2,000,000" and inserting the following: '\$500,000'

Amend the bill in section 2 in §7863 in subsection 3 in the 2nd line (page 1, line 39 in L.D.) by inserting after the following: "rules" the following: 'or local ordinances'

Amend the bill by adding after section 2 the following:

'Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

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

**Nursing Facilities 0148**

Initiative: Provides funding for nursing facilities to increase the cap on the allowance for the cost of a medical director from \$10,000 to \$22,000.

**COMMITTEE AMENDMENT**

1	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
2	All Other	\$26,448	\$28,862
3			
4	GENERAL FUND TOTAL	\$26,448	\$28,862
5	<b>FEDERAL EXPENDITURES FUND</b>	<b>2017-18</b>	<b>2018-19</b>
6	All Other	\$57,401	\$62,609
7			
8	FEDERAL EXPENDITURES FUND TOTAL	\$57,401	\$62,609
9	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
10	All Other	\$5,352	\$5,839
11			
12	OTHER SPECIAL REVENUE FUNDS TOTAL	\$5,352	\$5,839
13			

**SUMMARY**

This amendment changes the allowance for a nursing facility medical director from \$10,000 to \$22,000. The bill proposes to remove the allowance cap entirely. The amendment changes the amount above which a residential care facility would need Department of Health and Human Services approval for new construction, acquisitions and renovations to \$500,000 rather than \$2,000,000 as in the bill. It also clarifies that residential facilities may be reimbursed for costs to comply with changes in local ordinances in addition to federal or state laws. The amendment also adds an appropriations and allocations section.

**FISCAL NOTE REQUIRED**

(See attached)



# 128th MAINE LEGISLATURE

LD 517

LR 975(02)

## An Act To Amend Principles of Reimbursement for Nursing Facilities and for Residential Care Facilities

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-91)

Committee: Health and Human Services

Fiscal Note Required: Yes

### Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
<b>Net Cost (Savings)</b>				
General Fund	\$26,448	\$28,862	\$28,862	\$28,862
<b>Appropriations/Allocations</b>				
General Fund	\$26,448	\$28,862	\$28,862	\$28,862
Federal Expenditures Fund	\$57,401	\$62,609	\$62,609	\$62,609
Other Special Revenue Funds	\$5,352	\$5,839	\$5,839	\$5,839
<b>Revenue</b>				
Federal Expenditures Fund	\$57,401	\$62,609	\$62,609	\$62,609
Other Special Revenue Funds	\$5,352	\$5,839	\$5,839	\$5,839

### Fiscal Detail and Notes

The bill includes General Fund appropriations to the Department of Health and Human Services of \$26,448 in fiscal year 2017-18 and \$28,862 in fiscal year 2018-19 for nursing facilities to increase the cap on the cost of a Medical Director from \$10,000 to \$22,000. Federal Expenditures Fund allocations will also be required for the FMAP match and Other Special Revenue Funds allocations for the increased nursing facilities tax.

This bill also requires the Department of Health and Human Services to permit capital expenditures by residential care facilities (RCF) that are less than \$500,000 without prior approval and to provide an extraordinary circumstance allowance in permitted reimbursement to RCF's. Costs incurred by an RCF to comply with federal or state laws, regulations and rules shall be considered reasonable and necessary costs. These additional changes to the Residential Care Facilities will increase costs that will largely be necessitated by decisions of the RCFs that cannot be projected by the department. Since new construction, acquisitions, and renovations apply to room and board and not direct care, which cannot be reimbursed with federal funds per 42 CFR 440.182, it is also expected that these costs would be reimbursed entirely by the General Fund.