

# MAINE STATE LEGISLATURE

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L.D. 1466

Date: 6/14/17

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
128TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 512,  
L.D. 1466, Bill, "An Act To Address Severe and Ongoing Shortfalls in the Funding of  
Direct Care Workers in Long-term Care Settings and To Establish the Commission To  
Study Long-term Care Workforce Issues"

Amend the amendment in page 2 by striking out all of the first paragraph and  
subsections 2 and 3 (page 2, lines 1 to 22 in amendment) and inserting the following:

'Amend the bill in section 3 by striking out all of subsections 1 and 2 (page 2, lines 18  
to 41 in L.D.) and inserting the following:

**1. Rate increases for fiscal year 2017-18.** For the state fiscal year ending June 30,  
2018, an extraordinary circumstance supplemental allowance must be made as required  
by section 34 of the Principles of Reimbursement for Nursing Facilities equal to 10% of  
the portion of each facility's prospective and final prospective rate that is attributable to  
wages and wage-related benefits in both the direct care cost component and routine care  
cost component. This supplemental allowance must be provided as part of each facility's  
prospective rate, notwithstanding any otherwise applicable caps or limits on  
reimbursement, except that the allowance must be limited as provided in subsection 4.  
This supplemental allowance must also be allowed and paid at final audit to the full  
extent that the facility has reported increased costs for wages and wage-related benefits,  
notwithstanding any otherwise applicable caps or limits on reimbursement, including  
without limitation the amount of the supplemental allowance added to prospective  
payment rates, except that the allowance must be limited as provided in subsection 4.

**2. Rate increases for fiscal year 2018-19 and thereafter until completion of rate  
study.** For the state fiscal year ending June 30, 2019 and each year thereafter until the  
completion of the rate study under subsection 3, an additional extraordinary circumstance  
supplemental allowance must be made as required by section 34 of the Principles of  
Reimbursement for Nursing Facilities equal to the amount of an inflation adjustment cost-  
of-living percentage change in reimbursement in accordance with the United States  
Department of Labor, Bureau of Labor Statistics, Consumer Price Index medical care  
services index of the portion of each facility's prospective and final prospective rate that  
is attributable to wages and wage-related benefits in both the direct care cost component  
and the routine care cost component. This supplemental allowance must be provided as  
part of each facility's prospective rate, notwithstanding any otherwise applicable caps or

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1 limits on reimbursement, except that the allowance must be limited as provided in  
2 subsection 4. This supplemental allowance must also be allowed and paid at final audit to  
3 the full extent that the facility has reported increased costs for wages and wage-related  
4 benefits, notwithstanding any otherwise applicable caps or limits on reimbursement,  
5 including without limitation the amount of the supplemental allowance added to  
6 prospective payment rates, except that the allowance must be limited as provided in  
7 subsection 4.

8 **3. Rate study.** Cost-of-living increases as described in subsection 2 must continue  
9 on an annual basis until the Department of Health and Human Services has completed a  
10 rate study conducted by a 3rd party, including participation of providers, for nursing  
11 facilities and the rates in the rate study have been implemented.

12 **4. Upper payment limit.** The supplemental allowances provided in this section to  
13 individual facilities must be limited as necessary to ensure that aggregate payments for  
14 nursing facility services do not exceed the upper payment limit established in 42 Code of  
15 Federal Regulations, Section 447.272, using the methods of complying with that limit set  
16 forth in section 10 of the Principles of Reimbursement for Nursing Facilities.' '

17 Amend the amendment by striking out all of section 6 and inserting the following:

18 **'Sec. 6. Appropriations and allocations.** The following appropriations and  
19 allocations are made.

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

21 **Developmental Services - Community 0122**

22 Initiative: Provides appropriations for an increase to rates for certain services.

23	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
24	All Other	\$66,990	\$96,465
25			
26	<b>GENERAL FUND TOTAL</b>	<u>\$66,990</u>	<u>\$96,465</u>

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

28 Initiative: Provides appropriations for an increase to rates for certain services.

29	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
30	All Other	\$929,673	\$1,421,378
31			
32	<b>GENERAL FUND TOTAL</b>	<u>\$929,673</u>	<u>\$1,421,378</u>

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

34 Initiative: Provides appropriations and allocations for an increase to rates for certain  
35 services.

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HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 512, L.D. 1466

1	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
2	All Other	\$6,405,351	\$9,585,335
3			
4	<b>GENERAL FUND TOTAL</b>	<u>\$6,405,351</u>	<u>\$9,585,335</u>

5	<b>FEDERAL EXPENDITURES FUND</b>	<b>2017-18</b>	<b>2018-19</b>
6	All Other	\$30,776,608	\$47,473,310
7			
8	<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$30,776,608</u>	<u>\$47,473,310</u>

9	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
10	All Other	\$773,294	\$1,214,774
11			
12	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$773,294</u>	<u>\$1,214,774</u>

13       **Nursing Facilities 0148**  
 14       Initiative: Provides appropriations and allocations for an increase to rates for certain  
 15       services.

16	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
17	All Other	\$8,210,218	\$12,901,721
18			
19	<b>GENERAL FUND TOTAL</b>	<u>\$8,210,218</u>	<u>\$12,901,721</u>

20	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
21	All Other	\$1,661,427	\$2,609,923
22			
23	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$1,661,427</u>	<u>\$2,609,923</u>

24       **PNMI Room and Board Z009**  
 25       Initiative: Provides appropriations for an increase to rates for certain services.

26	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
27	All Other	\$1,031,058	\$1,619,699
28			
29	<b>GENERAL FUND TOTAL</b>	<u>\$1,031,058</u>	<u>\$1,619,699</u>

# HOUSE AMENDMENT

2 OF 3

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 512, L.D. 1466

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<b>HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)</b>		
<b>DEPARTMENT TOTALS</b>	<b>2017-18</b>	<b>2018-19</b>
GENERAL FUND	\$16,643,290	\$25,624,598
FEDERAL EXPENDITURES FUND	\$30,776,608	\$47,473,310
OTHER SPECIAL REVENUE FUNDS	\$2,434,721	\$3,824,697
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$49,854,619</b>	<b>\$76,922,605</b>

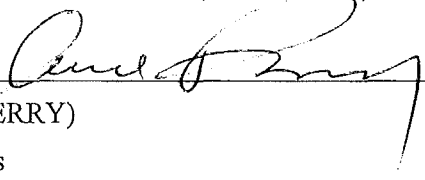
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**SUMMARY**

This amendment amends Committee Amendment "A" to limit increases for nursing facilities so as not to exceed federally established upper payment limits.

**FISCAL NOTE REQUIRED**

(See attached)

SPONSORED BY:   
 (Representative PERRY)  
 TOWN: Calais



# 128th MAINE LEGISLATURE

LD 1466

LR 1387(04)

An Act To Address Severe and Ongoing Shortfalls in the Funding of Direct Care Workers in Long-term Care Settings and To Establish the Commission To Study Long-term Care Workforce Issues

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

Sponsor: Rep. Perry of Calais

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	(\$10,691,281)	(\$11,661,404)	(\$11,663,216)	(\$11,661,404)
<b>Appropriations/Allocations</b>				
General Fund	(\$10,691,281)	(\$11,661,404)	(\$11,663,216)	(\$11,661,404)
Federal Expenditures Fund	\$10,691,281	\$11,661,404	\$11,663,216	\$11,661,404
Other Special Revenue Funds	\$0	\$0	\$0	\$0
<b>Revenue</b>				
Federal Expenditures Fund	\$10,691,281	\$11,661,404	\$11,663,216	\$11,661,404
Other Special Revenue Funds	\$0	\$0	\$0	\$0

### Fiscal Detail and Notes

The amendment reduces the General Fund appropriations to the Department of Health and Human Services by \$10,691,281 in fiscal year 2017-18 and \$11,661,404 in fiscal year 2018-19 due to a requirement that the rate increases in this bill are limited, as necessary, to ensure that aggregate payments for nursing facility services do not exceed the upper payment limit established in federal regulations, 42 CFR. §447.272. If the rate increase does not exceed the Upper Payment Limit (UPL), the payments will receive the full federal match. The original bill assumed that a large portion of the rate increase for Nursing Facilities would be funded 100% by General Fund dollars, as it was expected the increase would go well above the UPL. Federal Expenditures Fund allocations are increased by \$10,691,281 in fiscal year 2017-18 and \$11,661,404 in fiscal year 2018-19 for the increased FMAP match.