

# MAINE STATE LEGISLATURE

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Date: 6/21/17

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

HOUSE AMENDMENT "B" 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 by inserting after the title the following:

'Amend the bill by striking out all of the emergency preamble.'

Amend the amendment on 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

1 is attributable to wages and wage-related benefits in both the direct care cost component  
2 and the routine care cost component. This supplemental allowance must be provided as  
3 part of each facility's prospective rate, notwithstanding any otherwise applicable caps or  
4 limits on reimbursement, except that the allowance must be limited as provided in  
5 subsection 4. This supplemental allowance must also be allowed and paid at final audit to  
6 the full extent that the facility has reported increased costs for wages and wage-related  
7 benefits, notwithstanding any otherwise applicable caps or limits on reimbursement,  
8 including without limitation the amount of the supplemental allowance added to  
9 prospective payment rates, except that the allowance must be limited as provided in  
10 subsection 4.

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

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

20 Amend the amendment on page 3 in the first paragraph in the last line (page 3, line 2  
21 in amendment) by inserting after the following: "October 15" the following: ', 2017'

22 Amend the amendment on page 3 in the first paragraph in the last line (page 3, line 2  
23 in amendment) by striking out the following: "December 2" and inserting the following:  
24 'February 1, 2018'

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

26 '**Sec. 6. Appropriations and allocations.** The following appropriations and  
27 allocations are made.

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

29 **Developmental Services - Community 0122**

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

31	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
32	All Other	\$50,242	\$96,465
33			
34	<b>GENERAL FUND TOTAL</b>	<u>\$50,242</u>	<u>\$96,465</u>

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

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

R. d. S.

HOUSE AMENDMENT "B" 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	\$697,255	\$1,421,378
3			
4	<b>GENERAL FUND TOTAL</b>	<u>\$697,255</u>	<u>\$1,421,378</u>

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

6 Initiative: Provides appropriations and allocations for an increase to rates for certain  
7 services.

8	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
9	All Other	\$4,804,013	\$9,585,335
10			
11	<b>GENERAL FUND TOTAL</b>	<u>\$4,804,013</u>	<u>\$9,585,335</u>

12	<b>FEDERAL EXPENDITURES FUND</b>	<b>2017-18</b>	<b>2018-19</b>
13	All Other	\$23,082,456	\$47,473,310
14			
15	<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$23,082,456</u>	<u>\$47,473,310</u>

16	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
17	All Other	\$579,970	\$1,214,774
18			
19	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$579,970</u>	<u>\$1,214,774</u>

20 **Nursing Facilities 0148**

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

23	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
24	All Other	\$6,157,663	\$12,901,721
25			
26	<b>GENERAL FUND TOTAL</b>	<u>\$6,157,663</u>	<u>\$12,901,721</u>

27	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2017-18</b>	<b>2018-19</b>
28	All Other	\$1,246,070	\$2,609,923
29			
30	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$1,246,070</u>	<u>\$2,609,923</u>

31 **PNMI Room and Board Z009**

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

1	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
2	All Other	\$773,294	\$1,619,699
3			
4	<b>GENERAL FUND TOTAL</b>	<u>\$773,294</u>	<u>\$1,619,699</u>

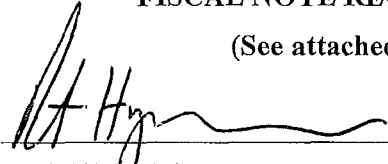
5	<b>HEALTH AND HUMAN SERVICES,</b>		
6	<b>DEPARTMENT OF (FORMERLY DHS)</b>		
7	<b>DEPARTMENT TOTALS</b>	<b>2017-18</b>	<b>2018-19</b>
8			
9	<b>GENERAL FUND</b>	\$12,482,467	\$25,624,598
10	<b>FEDERAL EXPENDITURES FUND</b>	\$23,082,456	\$47,473,310
11	<b>OTHER SPECIAL REVENUE FUNDS</b>	\$1,826,040	\$3,824,697
12			
13	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$37,390,963</u>	<u>\$76,922,605</u>

14 Amend the bill by striking out all of the emergency clause.'

15 **SUMMARY**

16 This amendment incorporates the changes made by House Amendment "A" to  
17 Committee Amendment "A", removes the emergency preamble and emergency clause  
18 and changes the reporting deadline for the Commission To Study Long-term Care  
19 Workforce Issues.

20 **FISCAL NOTE REQUIRED**  
21 (See attached)

22 SPONSORED BY:   
23 (Representative HYMANSON)  
24 TOWN: York



# 128th MAINE LEGISLATURE

LD 1466

LR 1387(06)

## 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 "B" to Committee Amendment "A"

Sponsor: Rep. Hymanson of York

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	(\$14,852,104)	(\$11,661,404)	(\$11,663,216)	(\$11,661,404)
<b>Appropriations/Allocations</b>				
General Fund	(\$14,852,104)	(\$11,661,404)	(\$11,663,216)	(\$11,661,404)
Federal Expenditures Fund	\$2,997,129	\$11,661,404	\$11,663,216	\$11,661,404
Other Special Revenue Funds	(\$608,681)	\$0	\$0	\$0
<b>Revenue</b>				
Federal Expenditures Fund	\$2,997,129	\$11,661,404	\$11,663,216	\$11,661,404
Other Special Revenue Funds	(\$608,681)	\$0	\$0	\$0

### Fiscal Detail and Notes

The amendment reduces the General Fund appropriations to the Department of Health and Human Services by \$8,014,461 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 \$8,014,461 in fiscal year 2017-18 and \$11,661,404 in fiscal year 2018-19 for the increased FMAP match. Additionally, removing the emergency preamble and clause from the bill reduces the General Fund appropriations to the Department of Health and Human Services by \$6,833,643 in fiscal year 2017-18. Federal Expenditures Fund allocations and Other Special Revenue Funds allocations are also reduced due to the new effective date.