

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1350

S.P. 418

In Senate, March 21, 2019

An Act To Improve Rural Health Care

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 President JACKSON of Aroostook.
Cosponsored by Representative PERRY of Calais and
Senators: CARPENTER of Aroostook, DAVIS of Piscataquis, LUCHINI of Hancock,
Representatives: HIGGINS of Dover-Foxcroft, HUBBELL of Bar Harbor, MADIGAN of
Waterville, MAXMIN of Nobleboro, STEARNS of Guilford.

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

2 **Sec. 1. 36 MRSA §5122, sub-§2, ¶QQ** is enacted to read:

3 QQ. For taxable years beginning on or after January 1, 2019, to the extent included
4 in federal adjusted gross income, student loan payments made by the taxpayer's
5 employer directly to a lender on behalf of a qualified health care employee. As used
6 in this paragraph, "qualified health care employee" means an individual who is
7 employed by a hospital located in this State and who is licensed under Title 32,
8 chapter 31, subchapter 3 or 4; chapter 36, subchapter 4; or chapter 48, subchapter 2.

9 **Sec. 2. Reimbursement for rural hospitals and nonrural hospitals.** The
10 Department of Health and Human Services shall amend its rule Chapter 101: MaineCare
11 Benefits Manual, Chapter III, Section 45 in order to provide MaineCare reimbursement
12 for rural hospitals at 100% of inpatient hospital-based physician costs, outpatient
13 emergency room hospital-based physician costs, outpatient nonemergency room hospital-
14 based physician costs and graduate medical education costs. The department shall also
15 amend its rule Chapter 101: MaineCare Benefits Manual, Chapter III, Section 45 in order
16 to provide MaineCare reimbursement for nonrural hospitals at 93.3% of inpatient
17 hospital-based physician costs, 93.4% of outpatient emergency room hospital-based
18 physician costs and 83.8% of outpatient nonemergency room hospital-based physician
19 costs.

20 The department shall adopt routine technical rules under the Maine Revised Statutes,
21 Title 5, chapter 375, subchapter 2-A to establish a definition of "rural hospital" that
22 reflects the regional access to hospital care and the population density of the public health
23 district in which the hospital is located, as long as the following hospitals are considered
24 rural hospitals:

- 25 1. Northern Light A.R. Gould Hospital in Presque Isle;
- 26 2. Cary Medical Center in Caribou;
- 27 3. Franklin Memorial Hospital in Farmington;
- 28 4. Northern Light Inland Hospital in Waterville;
- 29 5. Northern Light Maine Coast Hospital in Ellsworth; and
- 30 6. Northern Maine Medical Center in Fort Kent.

31 **Sec. 3. Reimbursement for acute care critical access hospitals.** The
32 Department of Health and Human Services shall amend its rule Chapter 101: MaineCare
33 Benefits Manual, Chapter III, Section 45 regarding the department's total annual
34 obligation to acute care critical access hospitals to require MaineCare reimbursement of
35 100% for outpatient nonemergency room hospital-based costs and all hospital-based
36 physician costs.

37 **Sec. 4. Reimbursement for rural health clinics.** The Department of Health
38 and Human Services shall amend its rule Chapter 101: MaineCare Benefits Manual,

1 Chapter II, Section 103 regarding the department's prospective payment system
2 reimbursement methodology to require that, effective January 1, 2019, rural health clinics
3 be reimbursed on the basis of 100% of the average of the reasonable costs of providing
4 MaineCare-covered services during calendar years 2016 and 2017 and to begin annual
5 adjustments based on the Medicare Economic Index for primary care services beginning
6 in 2020.

7

SUMMARY

8 This bill provides that, for taxable years beginning on or after January 1, 2019,
9 student loan payments made by a taxpayer's employer directly to a lender on behalf of a
10 qualified health care employee are not included in federal adjusted gross income for
11 Maine income tax purposes. The bill also directs the Department of Health and Human
12 Services to amend its rule Chapter 101: MaineCare Benefits Manual, Chapter II and
13 Chapter III regarding reimbursement to rural and nonrural hospitals, acute care critical
14 access hospitals and rural health clinics.