



129th MAINE LEGISLATURE

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Legislative Document

No. 1309

S.P. 405

In Senate, March 19, 2019

**An Act To Index MaineCare Reimbursement to Nursing Homes and
Other Adult Care Facilities to Increases in the Minimum Wage**

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 TIMBERLAKE of Androscoggin.
Cosponsored by Representative MORRIS of Turner and
Senators: BLACK of Franklin, DOW of Lincoln, KEIM of Oxford, Representatives:
DILLINGHAM of Oxford, STEWART of Presque Isle.

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

2 **Sec. 1. 22 MRSA §1708, sub-§3, ¶F**, as amended by PL 2017, c. 460, Pt. B, §1,
3 is further amended to read:

4 F. Establish a nursing facility's base year every 2 years and increase the rate of
5 reimbursement beginning July 1, 2014 and every year thereafter until June 30, 2018.
6 For the state fiscal year beginning July 1, 2018, the base year for each facility is its
7 fiscal year that ended in the calendar year 2016. For state fiscal years beginning on
8 or after July 1, 2019, subsequent rebasing must be based on the most recent cost
9 report filings available. The department may provide a mechanism for subsequent
10 adjustments to base year costs to reflect any material difference between as-filed cost
11 reports used in rebasing and subsequent determinations of audited, allowable costs
12 for the same fiscal period. The department's rules must provide that, beginning in the
13 state fiscal year beginning July 1, 2018, the rates set for each rebasing year must
14 include an inflation adjustment for a cost-of-living percentage change in nursing
15 facility reimbursement each year in accordance with the United States Department of
16 Labor, Bureau of Labor Statistics Consumer Price Index medical care services index.
17 The department's rules must provide for an increase in the rates each time the
18 minimum hourly wage established in Title 26, section 664, subsection 1 is increased,
19 in the amount of that minimum hourly wage increase, and the increase in the rate of
20 reimbursement under this paragraph must be retroactive to the date of the increase in
21 the minimum hourly wage.

22 Any rebasing done pursuant to this paragraph may not result in a nursing facility
23 receiving a reimbursement rate that is lower than the rate in effect on June 30, 2018.

24 **Sec. 2. PL 2017, c. 460, Pt. B, §2, sub-§3** is amended to read:

25 **3. Rate study.** Cost-of-living increases as described in subsection 2 must continue
26 on an annual basis until the Department of Health and Human Services has completed a
27 rate study conducted by a 3rd party, including participation of providers, for adult family
28 care services, adult day services or homemaker services and the rates in the rate study
29 have been implemented. Notwithstanding subsection 2, after a rate study has been
30 completed pursuant to this subsection, rates for adult family care services must be
31 increased each year by the amount of the increase to the minimum hourly wage that takes
32 place pursuant to the Maine Revised Statutes, Title 26, section 664, subsection 1. The
33 increase in the rate of reimbursement under this subsection must be retroactive to the date
34 of the increase of the minimum hourly wage.

35 **Sec. 3. PL 2017, c. 460, Pt. B, §4, sub-§2** is amended to read:

36 **2. Adjustment for inflation for rates for fiscal year 2019-20 and thereafter.** For
37 the state fiscal year ending June 30, 2020 and each year thereafter, the MaineCare
38 payment rates attributable to wages and salaries in each cost component specified in
39 subsection 1 must be increased by an inflation factor in accordance with the United States
40 Department of Labor, Bureau of Labor Statistics Consumer Price Index medical care
41 services index. The department's rules must provide for an increase in the rates each time
42 the minimum hourly wage established in the Maine Revised Statutes, Title 26, section

1 664, subsection 1 is increased, in the amount of that minimum hourly wage increase, and
2 the increase in the rate of reimbursement under this section must be retroactive to the date
3 of the increase in the minimum hourly wage.

4

SUMMARY

5 This bill increases the reimbursement rates under the MaineCare program to nursing
6 facilities, adult family care homes and residential care facilities by the amount of the
7 minimum wage increase that occurs on January 1st of each year as outlined in the Maine
8 Revised Statutes, Title 26, section 664, subsection 1. The increases in reimbursement
9 rates must be retroactive to the date of the increase in the minimum wage.