



128th MAINE LEGISLATURE

LD 517

LR 975(01)

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

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Maker of Washington

Committee: Health and Human Services

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$207,179	\$226,090	\$226,090	\$226,090
Appropriations/Allocations				
General Fund	\$207,179	\$226,090	\$226,090	\$226,090
Federal Expenditures Fund	\$449,645	\$490,446	\$490,446	\$490,446
Other Special Revenue Funds	\$41,925	\$45,736	\$45,736	\$45,736
Revenue				
Federal Expenditures Fund	\$449,645	\$490,446	\$490,446	\$490,446
Other Special Revenue Funds	\$41,925	\$45,736	\$45,736	\$45,736

Fiscal Detail and Notes

The Department of Health and Human Services will require General Fund appropriations of \$207,179 in fiscal year 2017-18 and \$226,090 in fiscal year 2018-19 for nursing facilities to remove the \$10,000 cap on the cost of a Medical Director. 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 \$2,000,000 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 RCF's that cannot be projected by the department. The actual impact cannot be determined at this time. 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.