

**129th MAINE LEGISLATURE****LD 1758****LR 1523(04)****An Act To Clarify and Amend MaineCare Reimbursement Provisions for Nursing and Residential Care Facilities****Fiscal Note for Senate Amendment " " to Committee Amendment "A"****Sponsor: Sen. Breen of Cumberland****Fiscal Note Required: Yes****Fiscal Note**

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	(\$15,763,173)	(\$12,220,825)	(\$12,740,825)	(\$5,340,901)
Appropriations/Allocations				
General Fund	(\$15,763,173)	(\$12,220,825)	(\$12,740,825)	(\$5,340,901)
Federal Expenditures Fund	(\$31,362,370)	(\$23,596,203)	(\$24,512,668)	(\$8,879,717)
Other Special Revenue Funds	(\$3,099,703)	(\$2,377,882)	(\$2,377,882)	(\$907,699)
Revenue				
Federal Expenditures Fund	(\$31,362,370)	(\$23,596,203)	(\$24,512,668)	(\$8,879,717)
Other Special Revenue Funds	(\$3,099,703)	(\$2,377,882)	(\$2,377,882)	(\$907,699)

Fiscal Detail and Notes

The bill includes General Fund appropriations to the Department of Health and Human Services of \$16,283,173 in fiscal year 2019-20 and \$12,740,825 in fiscal year 2020-21 for residential care facility and nursing facility wage allowances. Federal Expenditures Fund allocations are also included for the FMAP match.

The Upper Payment Limit (UPL) analysis for Nursing Facilities (NF) indicates that currently the NF payments in MaineCare are lower than Medicare by \$12.5 million. The annual cost of living adjustments (COLA) for the NF's will go into effect on July 1, 2019 and are estimated to increase the payments by \$10.6 million. The impact of this change on the UPL will be limited by an increase to the Medicare rates to which the MaineCare rates are compared, but between the COLA and the cost from this bill, the NF costs will likely go over the UPL threshold. However, based on the language in statute (Title 22 §1708 sub-§3, ¶C), the DHHS must establish reimbursement rates that "are consistent with federal requirements relative to limits on reimbursement under the federal Social Security Act, Title XIX." Thus, the estimate of costs above includes all increases associated with the bill, with a federal match. If this does create a UPL issue, the DHHS will limit the payments to NF's to remain below the federally required limits.