

126th Legislature
Joint Standing Committee on Appropriations and Financial Affairs
Proposal for Potential Inclusion in the 2nd Supplemental Budget

Public Hearing: Friday April 4, 2014 1:00 pm

Part __

Sec. _-1. Timing of MaineCare Payments. Notwithstanding the provisions of 5 MRSA §1553, beginning July 1, 2014 the Department of Health and Human Services shall revise its process for paying MaineCare providers to modify the timing of MaineCare payments to providers to extend the time between submittal of the claim by the provider and the payment of the claim by MaineCare but to still stay within Federal timely processing of claims requirements specified in 42 United States Code Section 1396a (a)(37). In implementing this part, the department shall consider the financial ability of providers to withstand the change in timing of payments. The department shall implement these changes, in a manner that achieves the one-time 2014-15 MaineCare savings identified in Section 2 of this Part

Sec. _-2. Appropriations and allocations. The following appropriations and allocations are made:

HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Medical Care – Payments to Providers 0147

Initiative: Reduces funding on a one-time basis as a result of modifying the timing of MaineCare payments.

GENERAL FUND	2013-14	2014-15
All Other	\$0	(\$20,000,000)
GENERAL FUND TOTAL	\$0	(\$20,000,000)
 FEDERAL EXPENDITURES FUND	 2013-14	 2014-15
All Other	\$0	(\$32,352,595)
FEDERAL EXPENDITURES FUND TOTAL	\$0	(\$32,352,595)

SUMMARY

This amendment modifies the timing of MaineCare payments.

	2013-14	2014-15
General Fund Cost Increase (Decrease)	\$0	(\$20,000,000)

Senator Patrick Flood is the sponsor of this proposal. His intention is that the extension of the time between submittal of a claim by the provider and the payment of the claim will be phased in over the course of one year to allow for planning by those providers who would be affected and would result in one-time savings in the first year of implementation (fiscal year 2015.) The expectation is also that implementation by the department will have little or no impact those providers who are highly dependent on weekly MaineCare payments for operating cash. Those providers may include, but are not limited to: small waiver providers; dental practices; private physician practices; Critical Access Hospitals; private pediatric practices; local pharmacies; residential agencies; and Indian Health Providers. Providers for which it is more likely that receivables will transition to a 24-day aging cycle include: QHC/RHC's; home health providers; OT/TP/Speech therapy providers; Lab/Radiology; mental health and behavioral health clinics; substance abuse providers; acute care hospitals; large pharmacy, physician and waiver providers; and chiropractors.