DATE: 11/16/2018

TO: Interested Parties

FROM: Stefanie Nadeau, Director, MaineCare Services

SUBJECT: Proposed Rulemaking: 10-144 C.M.R., Chapter 101, MaineCare Benefits Manual, Chapter III, Section 13, Allowances for Targeted Case Management

PUBLIC HEARING:

Date and Time: December 18, 2018, 9:00 a.m.
Location: 32 Blossom Lane, Marquardt Building Door D7 Augusta, ME 04333

COMMENT DEADLINE: Comments must be received by 11:59 p.m. on December 28, 2018

This letter gives notice of a proposed rule: MaineCare Benefits Manual, Chapter III, Section 13, Allowances for Targeted Case Management

The Department of Health and Human Services (“the Department”) proposes this rule to increase the rates of reimbursement for targeted case management services pursuant to Public Law 2017, ch. 460, An Act Making Certain Appropriations and Allocations and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government (the “Act”), Part D.

The Act requires the Department to amend its rules for reimbursement rates for targeted case management services provided under the provisions of 10-144 C.M.R. Ch. 101, MaineCare Benefits Manual, Chapter III, Section 13, Allowances for Targeted Case Management.

Specific changes are as follows:

- Part D of P.L. 2017, ch. 460 directs the Department to increase the rate of reimbursement for all services by two percent. Sec. D-1 and D-2 specifically require the increase in reimbursement to be applied to the wages and benefits of employees who provide direct services and not to administrators or managers.

Through the Act, the Legislature determined that “these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety.” As such, the Act requires the Department to implement “immediate rate increases,” effective July 1, 2018. However, the Act did not become law until July 9, 2018, following a Legislative override of the Governor’s veto.
Because the Act involves MaineCare reimbursement, these rule changes are also governed by federal Medicaid law. 42 C.F.R. § 447.205(d) requires that public notice of changes in reimbursement for State Plan services must “be published before the proposed effective date of the change.” The Department published its notice of reimbursement methodology change for the Section 13 rates on July 31, 2018. Upon the advice of the Office of the Attorney General, the increased rates will be effective August 1, 2018; this date comports with the federal law requirement. Pending approval of the proposed changes to the Section 13 State Plan Amendment that were submitted to the Centers for Medicare and Medicaid Services, the increased rates will be implemented with an August 1, 2018 effective date.

Pursuant to the Legislative determination regarding the urgent need for these reimbursement increases, the requirements of 5 M.R.S. §8054(1) are satisfied and emergency rulemaking is appropriate. Similarly, an August 1, 2018 retroactive effective date is necessary to implement these changes as soon as possible. The retroactive application comports with 22 M.R.S. § 42(8), which authorizes the Department to adopt rules with a retroactive application (where there is no adverse impact on providers or members) for a period not to exceed eight calendar quarters.

To remedy the difference between the July 1, 2018 effective date set forth in the Act and the August 1, 2018 date that is permissible pursuant to federal Medicaid law, the Department has recalculated the annual appropriation of funds for this service into a temporary eleven month rate. As such, providers will, over the course of eleven months, receive equivalent aggregate payments as would have been received under a twelve month rate. Beginning on July 1, 2019, rates will be annualized (based upon a twelve month appropriation). This is not an effective rate decrease, but rather a redistribution of the annual appropriation over twelve months, rather than eleven months.

Rules and related rulemaking documents may be reviewed at, or printed from, the MaineCare website at http://www.maine.gov/dhhs/oms/rules/index.shtml or for a fee, interested parties may request a paper copy of rules by calling (207) 624-4050 or Maine Relay number 711.

A concise summary of the proposed rule is provided in the Notice of Agency Rulemaking Proposal, which can be found at http://www.maine.gov/sos/cec/rules/notices.html. This notice also provides information regarding the rulemaking process. Please address all comments to the agency contact person identified in the Notice of Agency Rulemaking Proposal.
Notice of Agency Rule-making Proposal

AGENCY: Department of Health and Human Services, MaineCare Services, Division of Policy

CHAPTER NUMBER AND TITLE: 10-144 C.M.R., Chapter 101, Chapter III, Section 13, Allowances for Targeted Case Management

PROPOSED RULE NUMBER:

CONCISE SUMMARY:

The Department of Health and Human Services ("the Department") proposes this rule to increase the rates of reimbursement for targeted case management services pursuant to Public Law 2017, ch. 460, An Act Making Certain Appropriations and Allocations and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government (the “Act”), Part D.

The Act requires the Department to amend its rules for reimbursement rates for targeted case management services provided under the provisions of 10-144 C.M.R. Ch. 101, MaineCare Benefits Manual, Chapter III, Section 13, Allowances for Targeted Case Management.

Specific changes are as follows:

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Pursuant to the Legislative determination regarding the urgent need for these reimbursement increases, the requirements of 5 M.R.S. §8054(1) are satisfied and emergency rulemaking is appropriate. Similarly, an August 1, 2018 retroactive effective date is necessary to implement these changes as soon as possible. The retroactive application comports with 22 M.R.S. § 42(8), which authorizes the Department to adopt rules with a retroactive application (where there is no adverse impact on providers or members) for a period not to exceed eight calendar quarters.
To remedy the difference between the July 1, 2018 effective date set forth in the Act and the August 1, 2018 date that is permissible pursuant to federal Medicaid law, the Department has recalculated the annual appropriation of funds for this service into a temporary eleven month rate. As such, providers will, over the course of eleven months, receive equivalent aggregate payments as would have been received under a twelve month rate. Beginning on July 1, 2019, rates will be annualized (based upon a twelve month appropriation). This is not an effective rate decrease, but rather a redistribution of the annual appropriation over twelve months, rather than eleven months.


**STATUTORY AUTHORITY:** 22 M.R.S., §§ 42(8), 3173; P.L. 2017, ch. 460, Part D

**PUBLIC HEARING:**

Date and Time: December 18, 9:00 a.m.
Location: 32 Blossom Lane, Marquardt Building Door D7
Augusta, ME 04333

The Department requests that any interested party requiring special arrangements to attend the hearing contact the agency person listed above before December 12, 2018.

**COMMENT DEADLINE:** Comments must be received by 11:59 p.m. on December 28, 2018

**AGENCY CONTACT PERSON:** Dean Bugaj, Comprehensive Health Planner II  
[Dean.Bugaj@maine.gov](mailto:Dean.Bugaj@maine.gov)

**AGENCY NAME:** MaineCare Services

**ADDRESS:**  
242 State St.  
11 State House Station  
Augusta, Maine 04333-0011

**TELEPHONE:** 207-624-4045  
FAX: (207) 287-1864  
TTY: 711 (Deaf or Hard of Hearing)

**IMPACT ON MUNICIPALITIES OR COUNTIES (if any):** The Department anticipates that this rulemaking will not have any impact on municipalities or counties.

**CONTACT PERSON FOR SMALL BUSINESS INFORMATION (if different):** N/A
SECTION 13

ALLOWANCES FOR TARGETED CASE MANAGEMENT SERVICES

The Department is seeking and anticipates receiving CMS approval for this Section. Pending approval, the Department will reimburse providers under the new increased rate retroactively to 8/1/2018 pursuant to P.L. 2017, ch. 460, Part D. Providers must ensure that the increase in reimbursement rates effective August 1, 2018 is applied in full to wages and benefits for employees who provide direct services. Providers must document compliance with this requirement in their financial records and provide such documentation to the Department upon request.

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