

Notice of MaineCare Reimbursement Methodology Change

AGENCY: Department of Health and Human Services, Office of MaineCare Services

SERVICES INCLUDED: Chapter 101, MaineCare Benefits Manual, Section 45, Chapter III, Hospital Services

NATURE OF PROPOSED CHANGES:

The Department will submit a State Plan Amendment (SPA) to add the following definitions for both Rural Hospitals and Non-rural Hospitals.

RURAL HOSPITAL: is a hospital that meets one of the following criteria:

- 1) Is a “sole community hospital” as defined by Medicare, which does not reclassify into the York/Cumberland Core-Based Statistical Area (CBSA) for Medicare Wage Index purposes. A sole community hospital as defined by Medicare means a hospital:
 - a. That the Secretary determines is located more than 35 road miles from another hospital;
 - b. That, by reason of factors such as the time required for an individual to travel to the nearest alternative source of appropriate inpatient care (in accordance with standards promulgated by the Secretary), location, weather conditions, travel conditions, or absence of other like hospitals (as determined by the Secretary), is the sole source of inpatient hospital services reasonably available to individuals in a geographic area who are entitled to benefits under Medicare Part A; or
 - c. That is located in a rural area and designated by the Secretary as an essential access communication hospital under § 1820(i)(1) as in effect on September 30, 1997; or
- 2) Is a “Medicare-dependent hospital” as defined by Medicare, meaning a small rural hospital:
 - a. Located in a rural area;
 - b. That has not more than 100 beds;
 - c. That is not classified as a sole community hospital; and
 - d. For which not less than 60% of its inpatient days or discharges during the cost reporting period beginning in fiscal year 1987, or two of the three most recently audited cost reporting periods for which the Secretary has a settled

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cost report, were attributable to inpatients entitled to benefits under Medicare Part A; or

- 3) Is a “Rural Community Hospital Demonstration” accepted into the Rural Community Hospital Demonstration Program by Medicare.

NON-RURAL HOSPITAL: includes psychiatric, rehabilitation, and state hospitals, and any other hospital that does not meet the definition of a “Rural Hospital” as defined in this Chapter (see Definition 45.01-25.)

Additionally, the department is modifying hospital-based physician reimbursement as follows:

ACUTE CARE NON-CRITICAL ACCESS HOSPITALS:

- 1) Non-rural hospitals:
 - a. 93.3% of its share of inpatient hospital-based physician costs,
 - b. 93.4% of its share of outpatient emergency room hospital-based physician costs, and
 - c. 83.8% of non-emergency room outpatient hospital-based physician costs.
- 2) Rural hospitals:
 - a. 100% of its share of inpatient hospital-based physician costs,
 - b. 100% of its share of outpatient emergency room hospital-based physician costs,
 - c. 100% of graduate medical education costs; and
 - d. 100% of non-emergency room outpatient hospital-based physician costs.

ACUTE CARE CRITICAL ACCESS HOSPITALS:

- a. 100% of its share of inpatient hospital-based physician costs,
- b. 100% of its share of outpatient emergency room hospital-based physician costs,
- c. 100% of graduate medical education costs; and
- d. 100% of non-emergency room outpatient hospital-based physician costs.

REASON FOR PROPOSED CHANGES: All changes are pursuant to Maine PL 2019, ch. 530, *An Act To Prevent and Reduce Tobacco Use with Adequate Funding and by Equalizing the Taxes on Tobacco Products and To Improve Public Health*

ESTIMATE OF ANY EXPECTED INCREASE OR DECREASE IN ANNUAL

AGGREGATE EXPENDITURES: The Department anticipates this change to cost \$1,081,500

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in state expenditures and \$1,906,067 in federal expenditures in FFY 2020 and \$1,445,584 in state expenditures and \$2,537,838 in FFY 2020.

ACCESS TO PROPOSED CHANGES AND COMMENTS TO PROPOSED CHANGES:

The public may review the proposed methodology changes and written comments at any Maine DHHS office in every Maine county. To find out where the Maine DHHS offices are located, call 1-800-452-1926. The Department will hold a hearing for the proposed rulemaking and will be publishing a notice which includes information on the hearing date and location.

CONTACT INFORMATION

FOR RECEIPT OF COMMENTS:

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See <http://www.maine.gov/dhhs/oms/rules/index.shtml> for rules and related rulemaking documents.