

## Notice of MaineCare Reimbursement Methodology Change

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

**AFFECTED SERVICES:** Chapter 101, MaineCare Benefits Manual, Chapters II and III, Section 67, Nursing Facility Services

**NATURE OF PROPOSED CHANGES:** The Department plans to submit a State Plan Amendment (SPA) for Section 67, Chapters II and III, Nursing Facility Services related to:

- 1. Special wage allowance for fiscal year 2018-19.** For the state fiscal year ending June 30, 2019, a special supplemental allowance must be made to provide for increases in wages and wage-related benefits in both the direct care cost component and routine care cost component as follows: the allocated amount, up to 10%, of allowable wages and associated benefits and taxes as reported on each facility's as-filed cost report for its fiscal year ending in calendar year 2016 must be added to the cost per resident day in calculating each facility's prospective rate, notwithstanding any otherwise applicable caps or limits on reimbursement. This supplemental allowance must also be allowed and paid at final audit to the full extent that it does not cause reimbursement to exceed the facility's allowable costs in that fiscal year.
- 2. Changes in occupancy penalty.** For the state fiscal years ending June 30, 2019, June 30, 2020 and June 30, 2021, the reduction in allowable cost per day in the fixed costs component based on minimum occupancy standards applies only for an annual level of occupancy less than 70%. For fiscal years ending June 30, 2022 and thereafter, the reduction in allowable cost applies only for an annual level of occupancy less than 85% for facilities with 61 or more beds and 80% for facilities with 60 or fewer beds.
- 3. Low-cost, high Medicaid nursing facilities.** Beginning July 1, 2019, the supplemental payment established by Public Law 2013, chapter 594, section 3, subsection 5 must be revised to provide that the supplemental payment increase to 60¢ per resident day, is not subject to cost settlement and must be retained by the facility in its entirety for any nursing facility whose MaineCare residents constitute more than 80% of the nursing facility's total number of residents and whose base year direct and routine aggregate costs per day are less than the median aggregate direct and routine allowable costs for the facility's peer group. The supplemental payment must continue to apply as provided in Public Law 2013, chapter 594, section 3, subsection 5 for facilities that do not meet the standard set forth in this subsection.
- 4. Establish a nursing facility's base year.** For the state fiscal year beginning July 1, 2018, the base year for each facility is its fiscal year that ended in the calendar year 2016. For state fiscal years beginning on or after July 1, 2019, subsequent rebasing must be based on the most recent cost report filings available. Beginning in the state fiscal year beginning July 1, 2018, the rates set for each rebasing year must include an inflation adjustment for a cost-of-living percentage change in nursing facility reimbursement each year in accordance with the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index medical care services index. Any rebasing done pursuant to this paragraph may not result in a nursing facility receiving a reimbursement rate that is lower than the rate in effect on June 30, 2018.

**REASON FOR PROPOSED CHANGES:** All changes are pursuant to P.L. 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*,

**ESTIMATE OF ANY EXPECTED INCREASE OR DECREASE IN ANNUAL AGGREGATE EXPENDITURES:** The Department anticipates that this change will result in an increase of \$18,467,741 in State Fiscal Year 2019.

**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.