



126th MAINE LEGISLATURE

LD 1776

LR 2744(02)

An Act To Implement the Recommendations of the Commission To Study Long-term Care Facilities

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

Legislative Cost/Study

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	\$12,056,857	\$12,056,857	\$12,053,857
Appropriations/Allocations				
General Fund	\$0	\$12,056,857	\$12,056,857	\$12,053,857
Federal Expenditures Fund	\$0	\$23,296,680	\$23,296,680	\$23,296,680
Other Special Revenue Funds	\$0	\$2,170,734	\$2,170,734	\$2,170,734
Revenue				
Other Special Revenue Funds	\$0	\$2,170,734	\$2,170,734	\$2,170,734

Legislative Cost/Study

This bill contains two separate commissions. The general operating expenses of the Commission to Continue the Study of Long-term Care Facilities are projected to be \$1,250 in fiscal year 2013-14 and \$2,000 in fiscal year 2014-15. The general operating expenses of the Blue Ribbon Commission on Long-term Care are also projected to be \$1,250 in fiscal year 2013-14 and \$2,000 in fiscal year 2014-15. The Legislature's proposed budget includes \$10,000 in fiscal year 2013-14 and \$10,000 in fiscal year 2014-15 for legislative studies. Whether the amounts are sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature. The Blue Ribbon Commission is authorized to seek outside funding for staffing and expert consultant services and may not meet unless these funds are raised and approved by the Legislative Council. Other staffing costs during the interim can be absorbed by the Legislature utilizing existing staff resources.

Fiscal Detail and Notes

The bill provides appropriations totaling \$12,056,857 in fiscal year 2014-15 in the Nursing Facilities program in the Department of Health and Human Services (DHHS) for increased MaineCare payments to nursing facilities and for adjustments to funding to reflect increased nursing home tax collections. The increased payments to nursing homes are detailed in the table below. The additional \$2.2 million in nursing home provider taxes that would be collected as a result of the increased payments are reflected in adjustments to appropriations and allocations.

		2014-15	
Nursing Facility Costs		Total Costs	State Share
Cost of moving health insurance to fixed costs:	Direct Cost	\$16,843,334	\$6,434,659
	Routine Cost	\$6,271,448	\$2,395,881
Supplemental payment for MaineCare days over 70% at \$.40/day		\$2,904,403	\$1,109,569
Additional cost of Management Allowance above ceiling (no limit)		\$7,919,211	\$3,025,376
Rebasing routine cost CAP to 110% of median by peer group		\$6,639,445	\$2,536,467
Rebasing direct care CAP to 110% of median by peer group		(\$4,398,937)	(\$1,680,526)
Total Impact		\$36,178,904	\$13,821,427

The original bill included a deappropriation of \$10 million in the Medical Care- Payments to Providers program for recovery of overpayments to providers due to errors in calculating cost of care and for continued proper application of cost-of-care rules. While DHHS has indicated it had cost of care collections of \$10.4 million in fiscal year 2012-13 and expects to recover \$13.9 million in fiscal year 2013-14 and \$9.0 million in fiscal year 2014-15, DHHS has also indicated these recoveries have been included in their MaineCare shortfall forecast used to prepare the 2014-2015 supplemental budget request. Accordingly, the fiscal note assumes the \$10 million would not be available at this time for deappropriation above the amounts assumed by DHHS.