

**126th MAINE LEGISLATURE****LD 1776****LR 2744(05)****An Act To Implement the Recommendations of the Commission To Study Long-term Care Facilities****Fiscal Note for Senate Amendment " " to Committee Amendment "A"****Sponsor: Sen. Craven of Androscoggin****Fiscal Note Required: Yes****Fiscal Note**

## Legislative Cost/Study

	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>Projections FY 2015-16</b>	<b>Projections FY 2016-17</b>
<b>Net Cost (Savings)</b>				
General Fund	\$0	(\$12,086,114)	(\$3,104,218)	(\$3,101,218)
<b>Appropriations/Allocations</b>				
General Fund	\$0	(\$12,086,114)	(\$3,104,218)	(\$3,101,218)
Federal Expenditures Fund	\$0	(\$8,114,611)	(\$6,244,378)	\$146,755,622
Other Special Revenue Funds	\$0	(\$756,102)	(\$581,837)	(\$581,837)
<b>Revenue</b>				
Other Special Revenue Funds	\$0	(\$756,102)	(\$581,837)	(\$581,837)

**Legislative Cost/Study**

The amendment makes no changes to the bill's two separate commissions.

**Fiscal Detail and Notes**

This fiscal note reflects the incremental impact of the amendment. As a result of changes made to the nursing home reimbursement initiative the total appropriation for the initiative is reduced by \$4.1 million in fiscal year 2014-15 in the Nursing Facilities program in the Department of Health and Human Services. The revised estimated impact is summarized in the table below.

		<b>2014-15</b>	
		<b>Total Costs</b>	<b>State Share</b>
<b>Nursing Facility Costs</b>			
Cost of moving health insurance to fixed costs:	Direct Cost	\$0	\$0
	Routine Cost	\$0	\$0
Supplemental payment for MaineCare days over 70% at \$.40/day		\$0	\$0
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		\$10,501,442	\$4,011,866
Rebasing direct care CAP to 110% of median by peer group		\$5,156,554	\$1,969,958
<b>Total Impact</b>		<b>\$23,577,207</b>	<b>\$9,007,200</b>

The amendment also includes a deappropriation of \$8 million in fiscal year 2014-15 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. 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, additional recoveries or savings above these amounts would be necessary to meet the \$8 million deappropriation.