



126th MAINE LEGISLATURE

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Legislative Document

No. 538

H.P. 357

House of Representatives, February 19, 2013

**An Act To Align Costs Recognized for Transfer of Nursing Facilities
and Residential Care Facilities with Ordinary Commercial and
Government Contracting Standards**

Reference to the Committee on Health and Human Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative SANDERSON of Chelsea.
Cosponsored by Senator HAMPER of Oxford and
Representatives: MALABY of Hancock, PETERSON of Rumford, SIROCKI of Scarborough,
Senator: CUSHING of Penobscot.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 22 MRSA §3175-D**, as enacted by PL 2009, c. 97, §1, is amended to read:

3 **§3175-D. Nursing facility depreciation**

4 **1. Depreciation recapture through June 2012.** For sales of nursing facilities, as
5 defined in section 1812-A, that occur on or after October 1, 2009 and prior to July 1,
6 2012, the department shall either:

7 A. At the time of the sale, recapture depreciation paid by the department under the
8 MaineCare program, from the proceeds of the sale; or

9 B. At the election of the buyer and seller, waive the recapture of depreciation at the
10 time of the sale and allow the asset to transfer at the historical cost of the seller less
11 depreciation allowed under the MaineCare program to the buyer for reimbursement
12 purposes.

13 **2. Depreciation recapture after June 2012.** For sales of nursing facilities, as
14 defined in section 1812-A, that occur on or after July 1, 2012, the department may not
15 recapture depreciation from the seller.

16 **Sec. 2. 22 MRSA §3175-E** is enacted to read:

17 **§3175-E. Residential care facility depreciation**

18 **1. Depreciation recapture after June 2012.** For sales of residential care facilities,
19 as defined in section 7852, subsection 14, that are reimbursed under the MaineCare
20 program that occur on or after July 1, 2012, the department may not recapture
21 depreciation from the seller.

22 **Sec. 3. Retroactivity.** This Act applies retroactively to July 1, 2012.

23 **SUMMARY**

24 This bill provides that, to align treatment of long-term care providers with other
25 government contractors and typical private transactions, MaineCare depreciation
26 recapture from sellers of nursing facilities and residential care facilities does not apply to
27 any sales on or after July 1, 2012.