

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND FOURTEEN

—
H.P. 357 - L.D. 538

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

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

Sec. 1. 22 MRSA §3175-D, sub-§2 is enacted to read:

2. Methodology. Beginning with the sale of a nursing facility that occurs on or after July 1, 2014, or such other date as approved by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, the department shall calculate depreciation recapture using a methodology that provides percentage credits for buildings, fixed equipment and moveable equipment based on the number of years of operation by the owner of the nursing facility that is consistent with the following:

A. For the purposes of determining depreciation recapture for buildings and fixed equipment, the methodology must determine the number of years of operation by reference to the date on which the owner began operating with the original license;

B. For the purposes of determining depreciation recapture for moveable equipment, the methodology must enable percentage credits to reach 100% after the first 6 years of the assigned useful life; and

C. The methodology must treat as equivalent to the owner of the nursing facility any person or entity that owns or controls the entity that owns the nursing facility and any entity that is owned or controlled by the owner of the nursing facility.

Sec. 2. 22 MRSA §7861, sub-§§2 and 3, as enacted by PL 2001, c. 596, Pt. A, §1 and affected by Pt. B, §25, are amended to read:

2. Compliance with standards and guidelines. Reviewing the compliance of assisted housing programs with standards and guidelines established for the programs; ~~and~~

3. Awarding of grants. Awarding of grants, when available and necessary, to subsidize the cost of assisted housing programs for eligible clients.

For the purposes of this subsection, "eligible clients" means adults who have been determined through an approved assessment by the department to be functionally or cognitively impaired and in need of financial assistance to access assisted housing programs; and

Sec. 3. 22 MRSA §7861, sub-§4 is enacted to read:

4. Residential care facility depreciation. Calculating depreciation recapture for a residential care facility, as defined in section 7852, subsection 14, that is reimbursed by the department under the rules of reimbursement for room and board costs, including depreciation, when the facility is sold on or after July 1, 2013, using a methodology that provides percentage credits for buildings, fixed equipment and moveable equipment based on the number of years of operation of the residential care facility by the owner that is consistent with the following:

A. For the purposes of determining depreciation recapture for buildings and fixed equipment, the methodology must determine the number of years of operation by reference to the date on which the owner began operating with the original license;

B. For the purposes of determining depreciation recapture for moveable equipment, the methodology must enable percentage credits to reach 100% after the first 6 years of the assigned useful life; and

C. The methodology must treat as equivalent to the owner of the residential care facility any person or entity that owns or controls the entity that owns the residential care facility and any entity that is owned or controlled by the owner of the residential care facility.

Sec. 4. Application for state plan amendment. By October 1, 2014 the Department of Health and Human Services shall submit to the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services an application for approval of a state plan amendment for the MaineCare program to authorize the methodology for calculating recapture of depreciation in the sale of nursing facilities as enacted in the Maine Revised Statutes, Title 22, section 3175-D, subsection 2 to apply to sales occurring on or after July 1, 2014.

Sec. 5. Contingent effective date. That section of this Act that enacts the Maine Revised Statutes, Title 22, section 3175-D, subsection 2 does not take effect unless the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services approves an application for a state plan amendment for the MaineCare program submitted under this Act. The Commissioner of Health and Human Services shall notify the Secretary of State, the Secretary of the Senate, the Clerk of the House and the Revisor of Statutes when the commissioner has received approval of the state plan amendment submitted under this Act from the Centers for Medicare and Medicaid Services.