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STATE OF MAINE
ONE HUNDRED AND THIRTY-FIRST LEGISLATURE
COMMITTEE ON HEALTH AND HUMAN SERVICES

TO: Senator Margaret Rotundo, Senate Chair
Representative Melanie Sachs, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Joseph Baldacci, Senate Chair
Representative Michele Meyer, House Chair
Joint Standing Committee on Health and Human Services

DATE: February 2, 2023

SUBJECT: LD 206: An Act to Make Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2023

The Health and Human Services Committee is pleased to provide its recommendations on LD 206, the supplemental budget bill. Committee votes on the initiatives proposed in the budget are included in the attached green document and votes on language sections are included in the attached purple document. Two proposed new initiatives are described.

All votes on initiatives proposed in the budget were unanimous among all members, in favor of inclusion.

In addition to the initiatives included in the supplemental budget bill, the committee recommends the following initiatives,

- 1. Extension of timeline for expenditure of 2022 supplemental funds.** The committee heard testimony from advocates for nursing and residential care facilities requesting that the deadline for expenditure of the one-time supplemental payments distributed to nursing and residential care facilities pursuant to last year's supplemental budget, PL 2021, Chapter 635, be extended from June 30, 2023 to June 30, 2024, thereby matching the deadline for appropriations made in the 2023 supplemental budget (lines 22 through 27 on the green sheet) and decreasing the administrative burden on facilities and allowing for additional time to utilize both sets of funds.

2. **Rates for psychiatric and substance abuse inpatient units.** The committee heard testimony from stakeholders regarding last year's supplemental budget, PL 2021, Chapter 635, which included an appropriation to cover the anticipated costs of MaineCare rate adjustments to inpatient psychiatric units at community hospitals. Prior to that appropriation, those rates had not changed in over a decade. The appropriation was set prior to the completion of the rate making process enacted last year. As such, it was an estimate. The committee heard that this estimate was targeted to cover 100% of aggregate cost. It should be noted that this was not a "cost reimbursement" model but the single, statewide rate that was to be set in an amount that is the average of the statewide cost per discharge. Due to an increase in utilization the appropriation is insufficient to cover 100% of aggregate cost (it will only cover 80% of aggregate cost). Accordingly, unless the appropriation is adjusted, the rates will have to be set at 80% of cost which is below what was intended and below the target rate for other behavioral health services. The proposed language below establishes reimbursement at 100% of cost. This initiative does not require an appropriation or allocation in the 2023 supplemental budget.

Part ---. Department of Health and Human Services to establish MaineCare rates at 100% of Cost. The Department of Health and Human Services completes its rate making process, it shall amend its rule Chapter 101: MaineCare Benefits Manual, Chapter III, Section 45 to provide reimbursement for patients discharged from psychiatric inpatient units and inpatient substance abuse units so that the initial statewide rate shall be set to provide 100% aggregate cost reimbursement for providers based upon 2022 data.

Committee chairs and leads are prepared to discuss this report with you. Thank you for your consideration.

cc: Health and Human Services Committee members
Commissioner Jeanne M. Lambrew, Department of Health and Human Services
Deputy Commissioner Benjamin Mann, Department of Health and Human Services
Molly Bogart, Government Relations Director, Department of Health and Human Services
Maureen Dawson, OFPR
Luke Lazure, OFPR
Anna Broome, OPLA
Samuel Senft, OPLA