



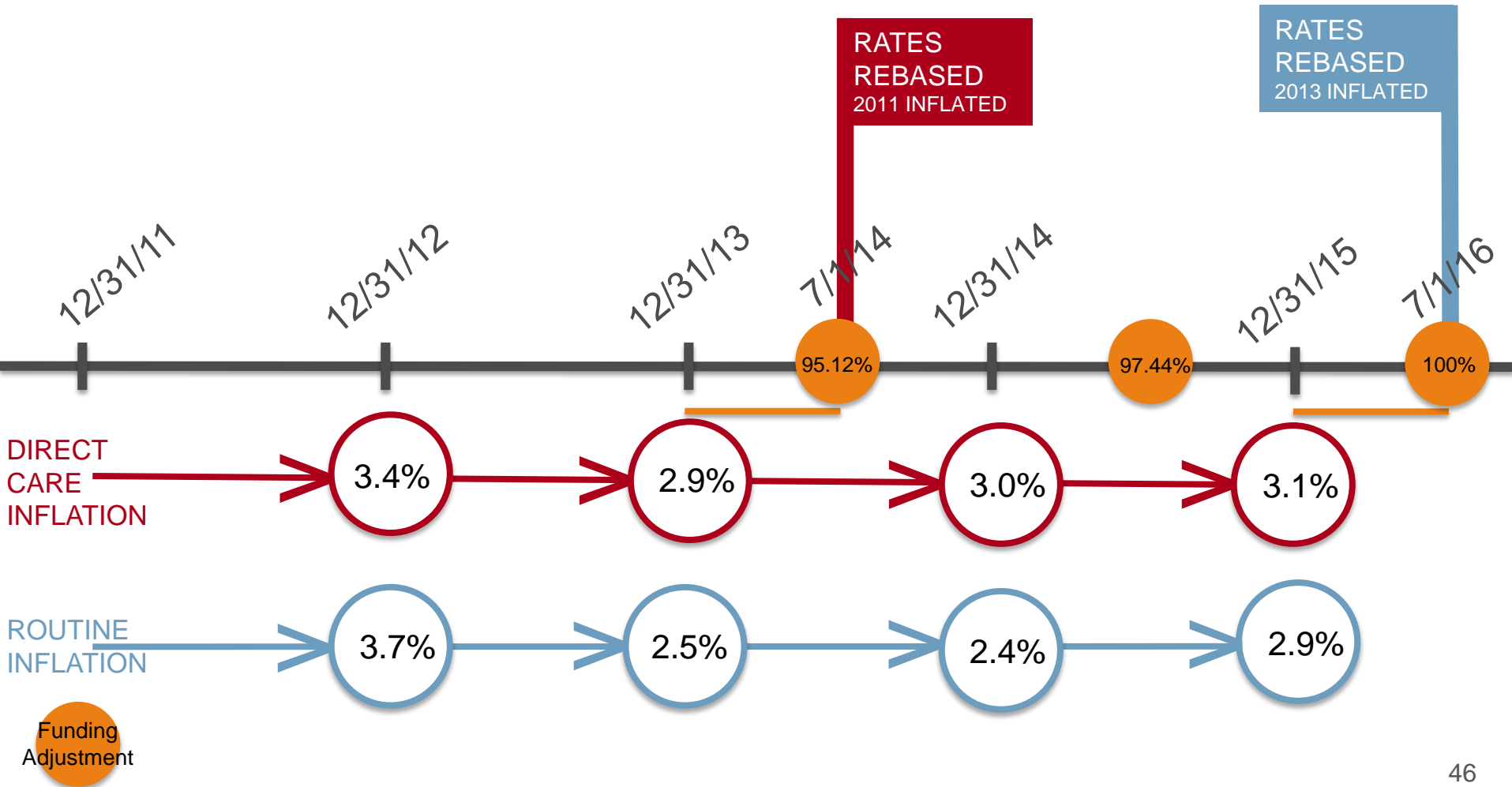
# State Update

## THE WAY LIFE SHOULD BE?

# MaineCare Regulatory Changes

## NURSING FACILITIES

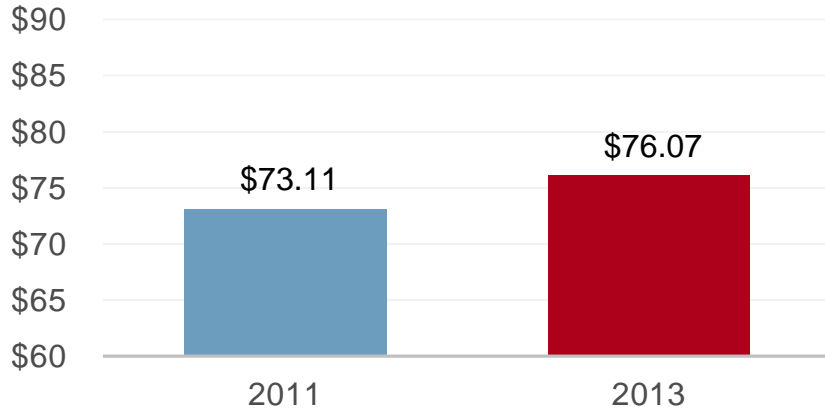
### REBASING AND INFLATION – A TIMLEINE



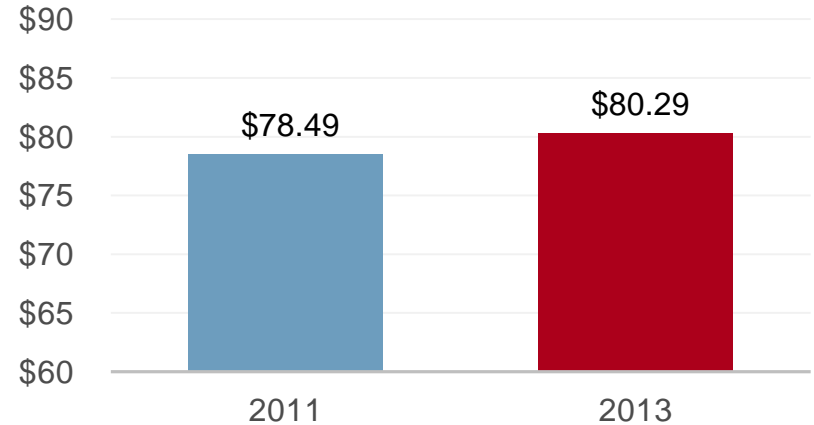
# Trending of Median Limits

## DIRECT CARE

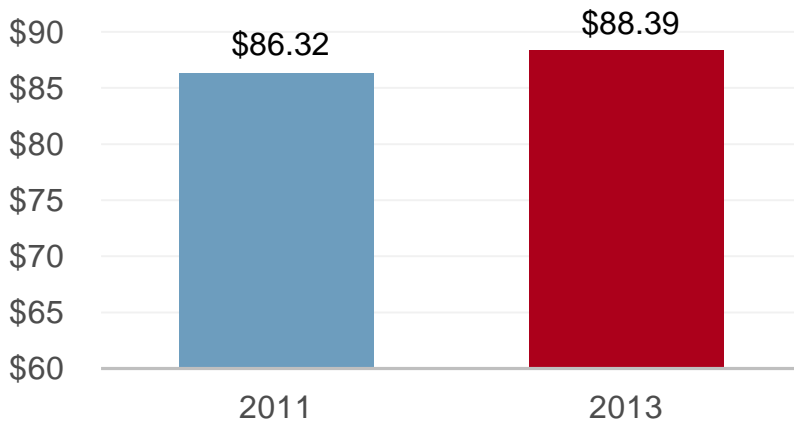
PEER GROUP 1 -  $\leq$  60 BEDS



PEER GROUP 2 - > 60 BEDS



PEER GROUP 3 - HOSPITAL BASED

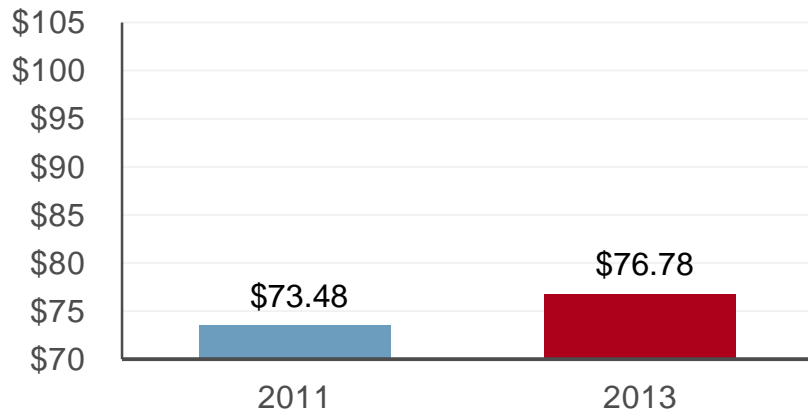


AMOUNTS PRESENTED ARE AT  
110% OF CALCULATED MEDIANS  
(USED TO SET THE LIMIT)

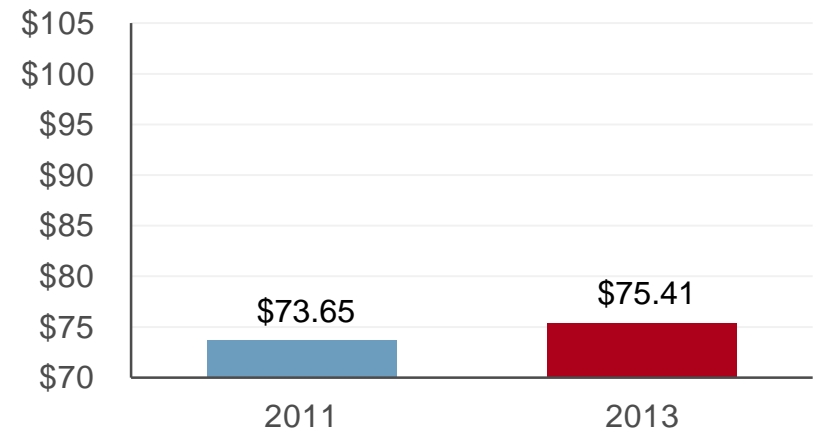
# Trending of Median Limits

## ROUTINE

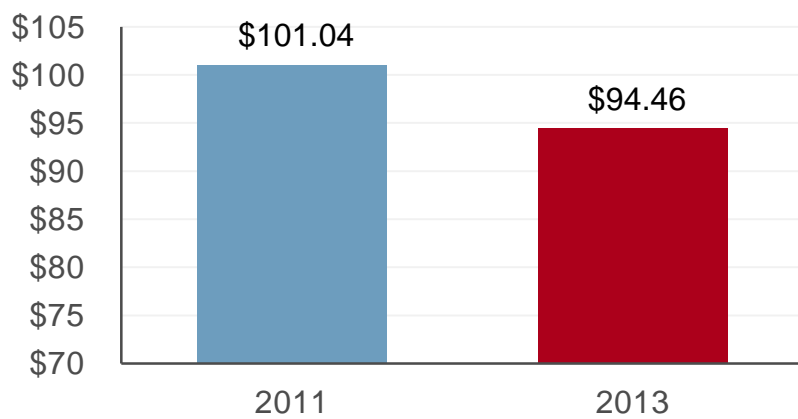
PEER GROUP 1 -  $\leq$  60 BEDS



PEER GROUP 2 -  $>$  60 BEDS



PEER GROUP 3 - HOSPITAL BASED



AMOUNTS PRESENTED ARE AT 110% OF CALCULATED MEDIANS (USED TO SET THE LIMIT)

# MaineCare Regulatory Changes

## NURSING FACILITIES

### CHANGES TO THE PRINCIPLES OF REIMBURSEMENT

#### **EFFECTIVE FEBRUARY 15, 2016 – RETROACTIVE TO JULY 1, 2015**

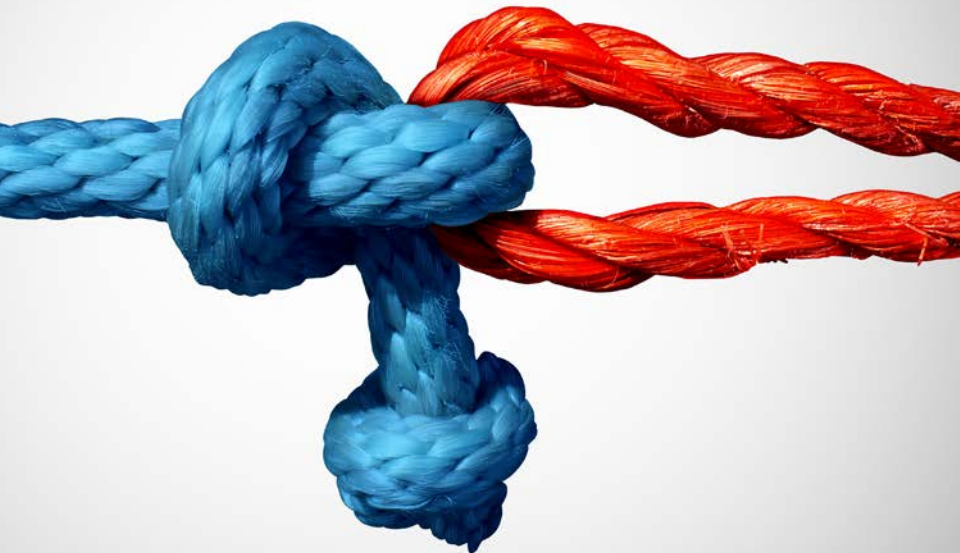
- Increase the final per diem rate from 95.12% to 97.44%
- Include the cost of continuing education for direct care staff as a direct care cost

#### **EFFECTIVE SEPTEMBER 15, 2015 – RETROACTIVE TO JULY 1, 2015**

- Depreciation recapture (retroactive to November 1, 2014)
- Prior authorization process for ventilator care services

#### **PROPOSAL – RETROACTIVE TO JULY 1, 2016**

- Increase the final per diem rate from 97.44% to 100%



# Depreciation Recapture

## IMPACT OF THE CHANGES AND RESIDUAL CONSIDERATIONS

- Credits now allowed on moveable equipment
- Calculation of credits on building and fixed equipment are now from the date the owner began operating the facility with the original license
- Buyer must demonstrate how the purchase price is allocated
- Option to waive recapture continues to exist
- Impact of state allowable basis of buyer

# Let's Chart Our Course





# Proposed Legislation

**CLOSURE – 4PM DECEMBER 30**

- MaineCare eligibility
- PNMI COLA and QMBs
- Potpourri proposal
  - RCF - capital expenditure threshold
  - RCF - extraordinary circumstance allowance
  - RCF - regulatory compliance costs
  - NF - remove medical director cap
- Minimum wage and workforce issues
- Nurse practitioners





## GOALS

- No cuts other than our own “pay-fors”
- Passage of AHCA Bundled Payment Reform Proposal
- No legislation passed allowing regulation of assisted living at federal level
- Prevent ban on arbitration agreements
- Defeat efforts to fundamentally change Medicaid
- Affect three day stay rule
- Group therapy
- VA contracts
- Requirements of Participation



## Nursing Facilities Upper Payment Limit

- Adjust to Medicare Rates (Downward Only)
- Medicaid Reform – Block Grants or Per Capita Cap



## Residential Care Facilities

- Home and Community Based Rules
- PNMI Payment Changes
- Service Provider Tax



## DHHS Audit Hot Buttons

- Equipment Rental
- Software Costs
- D&O Insurance
- Home Office Costs
- Allowable Interest and Refinancing
- RCF - Capitalization Threshold - \$350,000

**AUDIT**

## Changes to Cost Report Process

### **COST REPORT FILING AND ACCEPTANCE**

- Required Documents
- Late Filing Penalties
- Uniform Desk Reviews Timeline

# Questions?

