

## **Table of Contents**

**State/Territory Name: Maine**

**State Plan Amendment (SPA) #: 24-0014**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

December 18, 2024

Michelle Probert  
Director, MaineCare Services  
11 State House Station  
109 Capitol Street  
Augusta, Maine 04333-0011

RE: TN 24-0014

Dear Director Probert:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Maine state plan amendment (SPA) to Attachment 4.19-D ME-24-0014, which was submitted to CMS on September 30, 2024. This plan amendment eliminates the requirement that the Department rebase nursing facility costs by July 1, 2024, and adds the requirement that the Department reimburse at least seventy-five per cent (75%) of the as-filed settlement pursuant to a facility's cost reports within ninety (90) days of receipt.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact James Francis at 857-357-6378 or via email at [James.Francis@cms.hhs.gov](mailto:James.Francis@cms.hhs.gov).

Sincerely,



Rory Howe  
Director  
Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
**24 0014**

2. STATE  
**Maine (ME)**

3. PROGRAM IDENTIFICATION: TITLE **XIX** OF THE  
SOCIAL SECURITY ACT

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**7/1/24**

5. FEDERAL STATUTE/REGULATION CITATION  
**§ 1905(a)(4a) and (14)**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY **2024** \$ **0**  
b. FFY **2025** \$ **0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
**Attachment 4.19-D Pages 2, 13, and 16**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)  
**Attachment 4.19-D Pages 2, 13, and 16**

9. SUBJECT OF AMENDMENT  
**Removed rebasing and adds cost settlement requirements**

10. GOVERNOR'S REVIEW (Check One)

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

**Michelle Probert**

13. TITLE

**Director, MaineCare Services**

14. DATE SUBMITTED

**September 30, 2024**

15. RETURN TO

**Michelle Probert  
Director, MaineCare Services  
#11 State House Station  
109 Capitol Street  
Augusta, Maine 04333-0011**

**FOR CMS USE ONLY**

16. DATE RECEIVED

**September 30, 2024**

17. DATE APPROVED

**December 18, 2024**

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

**July 1, 2024**

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

**Rory Howe**

21. TITLE OF APPROVING OFFICIAL

**Director, Financial Management Group**

22. REMARKS

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Nursing Facility Services Detailed Description of Reimbursement

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**AICPA** is the American Institute of Certified Public Accountants.

Allowable Costs are costs that MaineCare will reimburse under these Principles of Reimbursement and that are below the caps (upper limits).

**Ancillary Services** are Medical items or services identifiable to a specific resident furnished at the direction of a physician and for which charges are customarily made in addition to the per diem charge.

**Base Year** is a fiscal period for which the allowable costs are the basis for the case mix prospective rate. For the state fiscal year beginning July 1, 2018, the base year for each facility was its fiscal year that ended in the calendar year 2016. Rebasing occurs every two years thereafter with the exception of July 1, 2024 rebasing, which will be skipped. For state fiscal years beginning on or after July 1, 2020, subsequent rebasing must be based on the most recently filed cost report available by June 1<sup>st</sup> prior to the start of the re-basing year, unless the Department grants an extension.

**Base Year Cost** shall be the costs as shown on the cost report for based year as audited by the Department.

**Capital Asset** is defined as services, equipment, supplies or purchases which have a value of \$500 or greater.

**Case Mix Weight** is a relative evaluation of the nursing resources used in the care of a given class of residents.

**Cash Method of Accounting** means that revenues are recognized only when cash is received and expenditures for expense and asset items are not recorded until cash is disbursed for them.

**Centers for Medicare and Medicaid Services (CMS)** is the agency within the U.S. Department of Health and Human Services (HHS) responsible for developing and implementing policies governing the Medicare and Medicaid programs.

**Common Ownership** exists when an individual possesses significant ownership or equity in the provider and the institution or organization serving the provider.

**Compensation** means total benefit provided for the administration and policy-planning services rendered to the provider. It includes:

- (a) Fees, salaries, wages, payroll taxes, fringe benefits, contributions to deferred compensation plan, and other increments paid to or for the benefit of, those providing the administration and policy planning services;
- (b) The cost of services provided by the provider to, or for the benefit of, those providing the administration and policy planning services, including, but not limited to, food, lodging, and the use of the provider's vehicles

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: Maine

Attachment 4.19-D

Page 13

Nursing Facility Services Detailed Description of Reimbursement

- 13.1.6. Schedules for amortization of long-term debt and depreciation of plant assets;
- 13.1.7. Summary of accounting principles, cost allocation plans, and step-down statistics used by the provider;
- 13.1.8. Related party information on affiliations, and contractual arrangements;
- 13.1.9. Tax returns of the nursing facility; and
- 13.1.10. Any other documentation requested by the Department for purposes of establishing a rate or conducting an audit.

If any of the items listed in Subsections 13.1.1 - 13.1.10 are not submitted in a timely fashion the Department may impose the deficiency per diem rate described in Section 37 of these Principles.

13.2. UNIFORM COST REPORTS

- 13.2.1. All long-term care facilities are required to submit cost reports as prescribed herein to the State of Maine Department of Health and Human Services, Division of Audit, State House Station 11, Augusta, ME, 04333. Such cost reports shall be based on the fiscal year of the facility. If a nursing facility determines from the as filed cost report that the nursing facility owes moneys to the Department of Health and Human Services, a check equal to 100% of the amount owed to the Department will accompany the cost report. If a check is not received with the cost report the Department may elect to offset the current payments to the facility until the entire amount is collected from the provider. If it is determined that the Department owes the facility money, the Department must reimburse at least seventy-five percent (75%) of the as-filed settlement pursuant to the facility's cost reports within ninety (90) days of receipt.
- 13.2.2. Forms. Annual report forms shall be provided or approved for use by long-term care facilities in the State of Maine by the Department of Health and Human Services.
- 13.2.3. Each long-term care facility in Maine must submit an annual cost report within five months of the end of each fiscal year on forms prescribed by the Division of Audit. If available, the long-term care facility can submit a copy of the cost report on a computer disk. The inclusive dates of the reporting year shall be the 12-month period of each provider's fiscal year, unless advance authorization to submit a report for a lesser period has been granted by the Director of the Division of Audit. The costs report shall also include a calculation of the private pay rate for semi-private rooms. Failure to submit a cost report in the time prescribed above may result in the Department imposing the deficiency per diem rate described in Section 37.
- 13.2.4. Certification by operator. The cost report is to be certified by the owner and administrator of the facility. If the return is prepared by someone other than staff of the facility, the preparer must also sign the report.
- 13.2.5. The original and one copy of the cost report must be submitted to the Division of Audit. All documents must bear original signatures.

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Nursing Facility Services Detailed Description of Reimbursement

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- 13.5.5. The Division of Audit may also require or allow an amended cost report any time prior to a final audit settlement to correct material errors detected subsequent to the filing of the original cost report or to comply with applicable standards and regulations. Once a cost report is filed, however, the provider is bound by its elections. The Division of Audit shall not accept an amended cost report to avail the provider of an option it did not originally elect.

## 14. REIMBURSEMENT METHOD

- 14.1. Principle. Nursing care facilities will be reimbursed for services provided to recipients under the program based on a rate which the Department establishes on a prospective basis and determines is reasonable and adequate to meet the costs which must be incurred by an efficiently and economically operated facility in order to provide care and services in conformity with applicable State and Federal laws, regulations and quality and safety standards.
- 14.2. Nursing facilities costs will be rebased by the Department of Health and Human Services every two years beginning July 1, 2014. With the exception of July 1, 2024 rebasing, which will be skipped.

## 15. COST COMPONENTS

- 15.1. In the prospective case mix system of reimbursement, allowable costs are grouped into cost categories. The nature of the expenses dictate which costs are allowable under these Principles of Reimbursement. The costs shall be grouped into the following three cost categories:

- 15.1.1. Direct Care Costs,
- 15.1.2. Routine Costs, and
- 15.1.3. Fixed Costs.

Sections 16 - 18 describe the cost centers in each of these categories, the limitations and allowable costs placed on each of these cost centers.

## 16. DIRECT CARE COST COMPONENT

The basis for reimbursement within the direct care cost component is a resident classification system that groups residents into classes according to their assessed conditions and the resources required to care for them.

- 16.1. Direct care costs include salary, wages, and benefits for:
- 16.1.1. registered nurses salaries/wages (excluding Director of Nursing),
  - 16.1.2. licensed practical nurses salaries/wages,
  - 16.1.3. nurse aides salaries/wages,
  - 16.1.4. patient activities personnel salaries/wages,
  - 16.1.5. ward clerks' salaries/wages,
  - 16.1.6. contractual labor costs,
  - 16.1.7. fringe benefits for the positions in Sections 41.11 through 41.15 include:
  - 16.1.8. payroll taxes