



**Testimony of Sarah Calder, MaineHealth
In Support of LD 331, “Resolve, Directing the Department of Health and
Human Services to Ensure Timely Reimbursement Under MaineCare
Regarding Hospital Cost Reports”
March 13, 2025**

Senator Ingwersen, Representative Meyer and distinguished members of the Joint Standing Committee on Health and Human Services, I am Sarah Calder, Senior Government Affairs Director at MaineHealth, and I am here to testify in support of LD 331, “Resolve, Directing the Department of Health and Human Services to Ensure Timely Reimbursement Under MaineCare Regarding Hospital Cost Reports.”

MaineHealth is an integrated non-profit health care system that provides a continuum of health care services to communities throughout Maine and New Hampshire. Every day, our over 24,000 care team members support our vision of “Working Together so Our Communities are the Healthiest in America” by providing a range of services from primary and specialty physician services to a continuum of behavioral health care services, community and tertiary hospital care, home health care and a lab.

The legislation before you today directs the Department of Health and Human Services to reimburse at least 75% of a hospital’s cost report within 90 days, which is the same reimbursement requirement in place for nursing facilities. Unlike nursing homes, hospitals do not receive interim settlements until 12 months – or 1 year – after submission of our cost reports.

As of February 28, we had not received any settlements from MaineCare for our Fiscal Year 2023 (care provided between October 1, 2022 and September 30, 2023) cost reports. This amount totals nearly \$40 million. We are still waiting on reimbursement more than one year after submitting our cost reports. It is important to note that this is care that has already been provided and the expenses have already been incurred – in some cases more than 2 years ago – and we’re still waiting on reimbursement. We also recently submitted our FY 2024 cost reports, for which combined settlements total nearly \$61 million. We are currently owed over \$100 million by MaineCare.

These are exceptionally challenging times in health care with many hospitals throughout the state having less than 30 days cash on hand. LD 331 would help to address cash flow issues by providing timely payment of care that again, and very importantly, has already been provided.

Thank you for your consideration and I would be happy to answer any questions that you may have.