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January 24, 2024

Senator Joseph Baldacci, Chair  
Representative Michele Meyer, Chair  
Members, Joint Standing Committee on Health and Human Services  
100 State House Station  
Augusta, ME 04333-0100

Re: LD 2082 – *“An Act to Ensure the Financial Stability of Behavioral Health Services Providers and Housing Assistance Providers.”*

Senator Baldacci, Representative Meyer and members of the Joint Standing Committee on Health and Human Services:

Thank you for the opportunity to provide information in opposition to LD 2082, *“An Act to Ensure the Financial Stability of Behavioral Health Services Providers and Housing Assistance Providers.”*

LD 2082 seeks to have the Department of Health and Human Services pay administrative expenses and interest charged on lines of credit or loans accessed by behavioral health services providers and housing assistance providers when a delay in department contract award, finalization or payments requires the provider to access the line of credit or loan.

The Department opposes this bill and shares several concerns with the proposed language:

1. The language is unclear as to the scope of programs impacted by the proposed legislation. It references behavioral health services and housing assistance providers, with added emphasis on those providing Bridging Rental Assistance Program and Shelter Plus Care services but does not identify other programmatic or office impacts. Similarly, it is unclear if this legislation may apply to *any* potential Department contract, including those held by other offices such as the Office of MaineCare Services (OMS). For example, if it would apply to OMS, there is concern around charging interest on repayment plans for overpayments, such as those from Program Integrity Reviews. Amended language clarifying the impact and scope would allow the Department as well as directly or indirectly impacted offices within it to better provide information on the impact this bill may have. Regardless of whether this bill is directed toward behavioral health and housing assistance services, there is additional concern on setting a precedent such as this for other departments and offices within state government.
2. The Department works to minimize any delays, and those that occur are often limited, and offices work to address and mitigate them as timely as possible while working toward more final and formal resolution. The Department is also concerned about what may happen if delays are due to shortfalls or federal shutdowns, if the Legislature directs us to increase reimbursement but fails to provide enough time for new rate or other

necessary implementation(s), or a lack of federal funding to support payments if passed in its current iteration.


3. Further, the definition of what constitutes a substantial delay would need to be explored. Specifically, what if the delay is partially or fully the fault of the provider and/or a third party?
4. The current language lacks clarity on how the Department would determine if a provider was “required” to access a loan or line of credit, and the Department feels this would ultimately require, at a minimum, a financial analysis of the provider’s income and expenses as part of that determination.
5. Current language in the proposed legislation references delays in award or finalization of contracts. This raises additional concern when considering RFP award appeals, instances where the Department may rescind an RFP entirely, or a provider is negotiating contract terms.

In conclusion, the Department does not feel this legislation is required and may ultimately have unforeseen consequences and impacts, fiscal and otherwise.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

DocuSigned by:



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Sarah Squirrell

Director

Office of Behavioral Health

Maine Department of Health and Human Services