

Janet T. Mills  
Governor

Jeanne M. Lambrew, Ph.D.  
Commissioner



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January 24, 2024

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

Re: LD 2105, *Resolve, to Protect and Enhance Access to Behavioral Health Services in Androscoggin County and Surrounding Communities*

Senator Baldacci, Representative Meyer, and Honorable Members of the Joint Standing Committee on Health and Human Services,

Thank you for the opportunity to express the Department's opposition to LD 2105, *Resolve, to Protect and Enhance Access to Behavioral Health Services in Androscoggin County and Surrounding Communities*. This is no reflection on the value that St. Mary's Hospital provides to the state or the community in Lewiston.

As a general policy principle, the Maine Department of Health and Human Services does not support a special payment to a single facility and not all similar facilities. In part due to payment rates without methodologies, like the one in LD 2105, the Legislature unanimously supported in 2021 the Department's amended proposal to comprehensively reform how MaineCare pays for services. This new system ensures that taxpayer dollars are spent on rates that are equitable and adequate; reward quality, cost-effective care; promote accountability for cost and performance; and reduce administrative burden.

The Department implemented a new reimbursement methodology and rates for inpatient psychiatric and Substance Use Disorder (SUD) distinct units effective July 1, 2023. Based on the most recent claims data, the Department estimated that St. Mary's would receive an additional \$7 million in reimbursement for SFY24. Additionally, the Department implemented rate increases to Sections 65 and 28, under both of which St. Mary's provides behavioral health services. Median increases under these sections of policy were 22% and 72.3%, respectively. In addition, the Department is in the process of broader inpatient and outpatient hospital rate reform which will provide additional investment to hospitals in FY25.

The Department continues to work with stakeholders toward broad hospital payment reform, and strongly believes that this proposal is not an appropriate vehicle for addressing a single hospital's financial problems.

Sincerely,

A handwritten signature in cursive script that reads "Jeanne M. Lambrew".

Jeanne M. Lambrew, Ph.D.  
Commissioner