

Janet T. Mills
Governor

Jeanne M. Lambrew, Ph.D.
Commissioner



Maine Department of Health and Human Services
Commissioner's Office
11 State House Station
109 Capitol Street
Augusta, Maine 04333-0011
Tel: (207) 287-3707; Fax: (207) 287-3005
TTY: Dial 711 (Maine Relay)

February 27, 2024

Senator Craig Hickman, Chair
Representative Laura Supica, Chair
Members, Joint Standing Committee on Veterans and Legal Affairs
100 State House Station
Augusta, ME 04333-0100

Re: LD 2217 – *An Act to Strengthen the Maine Veterans' Homes with Increased and Ongoing Funding*

Senator Hickman, Representative Supica and members of the Joint Standing Committee on Veterans and Legal Affairs:

Thank you for the opportunity to provide information in opposition to LD 2217 – *An Act to Strengthen the Maine Veterans' Homes with Increased and Ongoing Funding*.

This bill requires the State Controller to transfer \$3,135,000 from the General Fund to the Department of Health and Human Services, Nursing Facilities-MVH Other Special Revenue Funds account for payment to the Maine Veterans' Homes (MVH) to support ongoing operations. The transfer amount must be increased annually by the increase in the cost of living. The bill also requires unencumbered appropriated funds for the Maine Veterans' Homes remaining at the end of each fiscal year to be deposited in the Maine Veterans' Homes Stabilization Fund.

The Office of MaineCare Services (OMS) is currently undergoing long-term care rate reform efforts for nursing homes. A structure for rate reform that ensures rates paid to providers are data-driven, adequate, reasonable, and sustainable was established through PL 2021, Ch. 639, which was unanimously endorsed by the Legislature. The goal of this structure is in part to move toward more consistent, equitable rates that create incentives for efficiency and high-quality care for MaineCare members.

In addition, recently passed bills (PL 2023, Ch. 258 and Resolve 2023, Ch. 117) have already provided support to the Maine Veterans Homes outside of what all other similar facilities receive. The former directs OMS to provide ongoing annual supplemental payments totaling \$2,442,200 beginning in fiscal year 2024 while the latter directs OMS to provide an additional one-time supplemental payment totaling \$8,612,122.

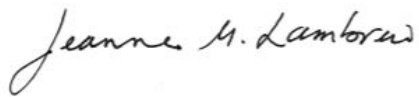
This bill creates a separate and additional system of funding for a subset of facilities that conflicts with the objectives of rate reform and establishes ongoing financial support that has not been developed through the systematic, methodological approach mandated in 22 MRSA §3173-J, which the Department is already undertaking. The proposed reimbursement is wholly separate

from and unrelated to current MVH costs and utilization, current and planned MaineCare reimbursement - including through existing supplemental payments specifically for MVH - and quality performance of the Maine Veterans' Homes.

As recognized in the preliminary fiscal impact statement on this bill, the payments would not be eligible for any federal Medicaid matching dollars because the bill would create reimbursement that has no safeguards to ensure, per federal regulation, that it serves Medicaid members or is reasonable and efficient.

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

Sincerely,

A handwritten signature in cursive script that reads "Jeanne M. Lambrew". The signature is written in black ink and is positioned below the word "Sincerely,".

Commissioner Jeanne M. Lambrew, Ph.D.
Maine Department of Health and Human Services