



John F. Murphy Homes, Inc.

**Testimony of Andrew Cowan
Chief Financial Officer
In Support of Section 2 of LD 2243**

Resolve, Directing the Department of Health and Human Services to Amend MaineCare Rules Governing Certain Types of Behavioral and Mental Health Services and to Form a Stakeholder Group to Study Methods for Improving Those Services

**Joint Standing Committee on Health and Human Services
March 7, 2024**

Good afternoon, Senator Baldacci, Representative Meyer and esteemed members of the Health and Human Services Committee. Thank you for the opportunity to share testimony in support of Section 2 of LD 2243. My name is Andrew Cowan. I am the Chief Financial Officer of John F. Murphy Homes, Inc. We are a non-profit company serving, and providing housing, for people with autism. We have been supporting adults with Intellectual and Developmental Disabilities in Section 97 Appendix F, commonly referred to as PNMI-F, for more than a decade serving 14 people in 3 homes in the Lewiston/Auburn area. Unfortunately, LD 2243 does little to cure the financial issues imposed by PNMI-F MaineCare Regulations. What I was hoping to see was substantial change to the way providers are reimbursed for room and board costs. The current model is supposed to be cost reimbursed, however our agency has lost approximately \$715,800 over the last nine years, mostly due to inadequate reimbursement rates for the cost of room and board. If this reimbursement model is not fixed I question our ability to continue this service.

I am both frustrated and deeply disappointed when the Rate Determination for PNMI-F, scheduled for 2023, was not only not underway by the end of 2023. DHHS originally scheduled it however it was not carried over in the adopted 2024 MaineCare Rate Determination Schedule. At this point in time I have only been told that the state is examining this service description in 2024. There is no known time frame for when this service will undergo a rate study.

To make matters worse we are owed an estimated \$419,507.15 from the state for audits dating back as far as fiscal year 2020. I empathize with DHHS Audit's staffing shortage and large workload. We have the same challenges but this is no way to do business. There is no other way to describe this other than an interest free loan to the state. We can no longer subsidize the state which is why we are in need of relief and support Section 2 of this bill. Section 2 would require that the majority of funds owed to providers by the state are remitted timely.

Section 4 of this bill outlines that changes to MaineCare rule from this bill be repealed following a rate determination for Section 97 Appendix E and Appendix F. I believe that this is intended

**800 Center St • Auburn, Maine 04210 • (207) 782-2726 • Fax (207) 782-1734
www.jfmh.org**

to be applied only to Section 1 only, and not Section 2, and would encourage the committee to amend this section for clarity.

Lastly, as I understand it, the intent of Section 5 is to develop a stakeholder group to make recommendations on how to develop more sustainable models for Section 97 Appendix E and F. I believe such a stakeholder group would be beneficial and would encourage the committee to support such a group with amended language.

Thank you for your consideration.

Best Regards,

A handwritten signature in black ink, appearing to read "ACowan", with a horizontal line underneath.

Andrew Cowan, CPA
Chief Financial Officer
John F. Murphy Homes, Inc.
Andrew.Cowan@jfmh.org