



2023 - 2024

**OFFICERS**

David Cowing

*Chairperson*

Eric Uhl

*Vice Chairperson*

Richard Estabrook

*Secretary*

Charles Frizzle

*Treasurer*

**DIRECTORS**

Deborah Dionne

Vicki Durrell

Kenneth Faulkner

John Gagnon

Evan Gleason

Thomas Handel

Connie Jones

Toni Kemmerle

Melissa Knutson

Christopher Ladner

Eveline McGregor

Courtney Oland

Luke Ouellet

Hank Pfeifle

Kathy Rickards

*Executive Director*

Ray Nagel

**Mission:** To support adults and children with disabilities to achieve full and inclusive lives in their chosen communities.

**Testimony of Ray Nagel  
Executive Director, Independence Association  
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 my testimony in support of Section 2 of LD 2243.

I am Ray Nagel, Executive Director of Independence Association. We have been a non-profit organization serving children and adults with developmental disabilities since 1966. We own and operate a six-bed Section 97 PNMI in Freeport. We have operated that group home for 30-years, and it continuously loses money. After the Rate determination for Section 97 Appendix F was not addressed in 2023 and we found out it was not going to be addressed in 2024, our board of directors, per my request, voted to close the program.

This was a tough decision, because four of the residents have lived there for over 25 years, and all six residents are over the age of 60, with two septuagenarians and one octogenarian.

Independence Association can no longer carry the costs of this home, which has experienced a loss of **(\$378,488)** over the last seven years. Compounding this significant loss is the fact that we are owed **\$170,000** from the past five cost reports which have not yet been reconciled by the department of audit. I understand that the division of audit is short of staff, but we are still short, approximately 30% of the staffing needed to fully support our clients. Continuing to ignore the needs of citizens who reside in PNMI's erodes our trust and faith that we have in DHHS.

Here is a breakdown of our losses by year. Notice in FYE 063019 the loss was significantly more because we had to pay for past cost reports after the division of audit found that we owed \$110,000 from past cost report reconciliations. Unlike OMS, if we owe the state money, we have six months to pay it back. It appears OMS has an unlimited time to pay providers.

FYE	FYE	*FYE	FYE	FYE	FYE	FYE
063017	063018	063019	063020	063021	063022	063023
(\$22,498)	(\$15,122)	(\$175,760)	(\$47,123)	(\$28,672)	(\$50,856)	(\$38,457)

On 01.03.24, I formally notified DLRS, OADS, OMS, and the Director of Compliance of our decision to discontinue Section 97 effective 06.30.24. Outside of Mr. Logan, who



# Independence Association

Celebrating Ability Since 1966

acknowledged receipt of our letter, none of the departments have responded. By discontinuing Section 97 services, I also had to provide each resident a letter of discharge notifying them that we will no longer provide Section 97 services, and that they will need to either find a new Section 97 facility, or transition to Section 21 and choose a provider that offers per diem group home services or a shared living arrangement no later than 06/01/24.

We plan on converting that home into a Section 21 group home effective 07.01.24 and would gladly serve them in the same home if they should choose.

This decision has made our leadership look heartless, even to local representatives who do not understand the system.

We need financial relief immediately. Although section 5 of the bill is to develop a stakeholder group designed to develop more sustainable models for Section 97 Appendices E and F, we have already determined that the model is not sustainable.

In the meantime, I urge the HHS committee to remove the anxiety of the six residents at our PNMI in Freeport, and streamline their transition to Section 21-Priority 1, so they do not continue to fear being homeless in June.

Respectfully submitted,

Raymond Nagel, MBA  
Executive Director



Community Partner

3 Industrial Parkway, Suite 1 - Brunswick, Maine 04011

Ph. 207 725 4371 - Fax 207 725 1416

[www.independenceassociation.org](http://www.independenceassociation.org)

