



Testimony of Fawn Palmer

Finance Director

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

My name is Fawn Palmer, and I am the Financial Director for Hope Association. We are a provider of services for people with intellectual disabilities. Our mission is:

As partners in our community, we will provide leadership, residential, case management, vocational and community support services to individuals and their families through programs that enhance independence, dignity, choice, and individual wellbeing.

The payment model for Section 97 Appendix F residential services has been insufficient and extremely complicated for many years and we were frustrated and disappointed when the Rate Determination for Section 97 Appendix F known as PNMI (F) scheduled for 2023 was not only not underway by the end of 2023 as originally scheduled by the Department but was not carried over in the adopted 2024 MaineCare Rate Determination Schedule. We have not heard of any time frame for when this service will undergo a rate study.

Hope Association is currently owed an estimated \$57,000 from the state for audits that go back three years. I empathize with their current staffing shortages and large workloads, but the current model has been like this since I have been working for Hope Association which is 14 years. Staffing challenges are everywhere, but this puts agencies like us in bind financially with these PNMI's. Three years is a long time to wait.

We are currently running two Appendix F PMNI homes that last fiscal year had a deficit of \$60,000 and \$70,000. Cost reporting shows us getting funds owed back that we are still waiting on going back three years. It is tough to operate this way. These two facilities cannot continue this way. We have even contemplated closing them.

We strongly support Section 2 of this bill to ensure that when cost report audits are settled, most funds owed to providers by the Division of Audit are received in a timely manner. A 90-day timeframe would be sufficient and provide so much financial relief.

Section 4 of this bill outlines that changes to MaineCare rule from this bill be repealed following a rate determination for Section 97 Appendix E and Appendix F. We believe that this is intended to be applied only to Section 1, and not Section 2 and would encourage the committee to amend this section for clarity.

I highly support the intent of Section 5 and would love to see a stakeholder group work on better sustainable models for Section 97 Appendix E and F. We encourage the committee to support this with amended language.

Thank you for your consideration. I would be happy to answer any questions you may have.

Respectfully Submitted,

Fawn Palmer

finances@hopeassociation.org