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Alliance for Addiction  
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Maine Association for  
Community Service  
Providers

Maine Association of  
Nonprofits

Maine Coalition of  
Sexual Assault Services

Mental Health  
Corporation of America

National Council for  
Mental Wellbeing

Good afternoon, Senator Baldacci, Representative Meyer and members of the Health and Human Services Committee. My name is Christy Daggett, and I am the Chief Financial and Administrative Officer of the Aroostook Mental Health Center or AMHC.

On behalf of AMHC, I am here today to express strong support for Legislative Document No. 2243, "*A Resolve, Directing the Department of Health and Human Services to Amend MaineCare Rules Governing Certain Types of Behavioral and Mental Health Services.*"

AMHC oversees two Appendix E PNMI, one in Madawaska and one in Presque Isle, to ensure that people with mental illness can live in the community. Our Skyhaven and Madawaska Group Home sites are not just facilities – they are homes. Fiscally, these services are far less costly than placing people in institutional settings. My testimony today is to educate the Committee about how the current regulations jeopardize these sites.

*Currently, the program allowance for all non-salary costs cannot exceed 35% of staffing expense, and this negatively affects the agency when revenue that we earned, must be paid back to the Department.*

*Tying fixed costs to 35% of salary costs means that when the agency is keeping our facility open with a skeleton staff, we are faced with large paybacks at the end of the fiscal year. We have struggled to hire enough staff to keep facilities open, and then reduced staffing costs mean that the actual dollar value of 35% of staffing is shrunk, pushing the programs deeper into insolvency with paybacks of revenue to keep us within the allowable cap. I understand that the intent was to ensure that agencies invest in staffing. AMHC has increased the wage scale for the Residential Counselor position from \$26,158 to \$34,413 since 2018. However, we have faced a sparse pool of applicants in today's challenging workforce environment.*

*The 35% cap for fixed costs has not increased since at least 2009, and the cost of living has increased 19% just since 2020. The costs to keep the lights on in the facility are the same whether we have a full roster of staff or a skeleton staff. Our staff work hard to contain costs. They buy a beef cow directly from the farmer, and shop very frugally for groceries. Our van for client trips is old and the rocker panels are starting to rust. Despite this, the 35% cap means that we can exceed our allowable costs just feeding and housing our residents.*

For simplicity's sake, I will focus on Madawaska Group Home. In addition to the \$162,000 in PNMI tax paid over the past four years, after AMHC files the cost settlement forms, the agency has paid back \$213,456 in MaineCare revenue. The data below is taken from our cost reports.

	Actual Expense	Allowed Expense	PNMI Tax Paid	Total Allowable Reimbursement	Mainecare Revenue	Payback
FY19	\$640,402.00	\$616,607.00	\$38,046.00	\$609,523.00	\$634,107.00	\$24,584.00
FY20	\$660,513.00	\$584,917.00	\$43,026.00	\$643,007.00	\$710,596.00	\$67,589.00
FY21	\$602,755.00	\$584,062.00	\$40,250.00	\$573,447.00	\$658,180.00	\$84,733.00
FY22	\$674,447.00	\$646,261.00	\$40,969.00	\$646,269.00	\$682,819.00	\$36,550.00
<b>Totals</b>	<b>\$2,578,117.00</b>	<b>\$2,431,847.00</b>	<b>\$162,291.00</b>	<b>\$2,472,246.00</b>	<b>\$2,685,702.00</b>	<b>\$213,456.00</b>

AMHC has served Aroostook, Washington, and Hancock counties for 60 years. Every time I present at new staff orientation, I tell them that the agency was founded in response to decades of institutionalization for people with mental illness, far from their homes and loved ones in northern Maine – and that the community integration work we do is the core of our mission. The agency is committed to delivering this service. For this reason, we support this important measure to keep the homes sustainable.

Sincerely,

Christy Daggett, MPP  
Chief Financial and Administrative Officer