

Thank you for taking comments on this important matter.

I am speaking to the Governor's decision NOT to include the COLA for MaineCare services in the supplemental or biannual budget. I am speaking against this decision.

I understand that money is tight. The point is that money is tight for everyone. Since their inception, MaineCare funded services have been at the mercy of the budget process, taxpayer and global considerations. There is a 1914 audit report that states concern over Pineland's budget being too expensive and it had only opened 6 years before. Remember the lesson of Pineland, overcrowding and underfunding. History does not need to repeat itself.

Over the years agencies have taken on extra costs when the MaineCare rates have stayed the same. When heating and gas prices rise due to global price structure or environmental disasters, agencies bear the burden. Gas prices in 2008 were as high as \$4.12/gal and 2022 saw prices as high as \$5.09 with no adjustments in the rate and agencies bore the burden. Heating oil has fluctuated wildly over the last 30 years and yet when at their height of \$6 gal, there were no rate adjustments and agencies bore the burden. Electric rates, employee benefits, personal and agency insurances, food prices, etc. all rise yearly and agencies bear the burden, as "a component of the rate."

When the voters of Maine decided to start raising the minimum wage in 2016, MaineCare rates did not immediately raise to coincide with this increase and again agencies bore the burden. Prior to the pandemic, agencies started to see the work force shrinking. This was due, in part, to poor wages and the challenges of the job. While providing care for our members is rewarding, it is not easy, either emotionally or physically. The compensation has never matched the workload of day-to-day care for folks with high behavioral or physical needs. While the pandemic was in full bloom, the work force shortage became a crisis. In my opinion that is when the state of Maine really started to recognize there was a problem and that extra financial support could be a critical factor to address the issue. Thankfully the Maine Legislature passed a bill to increase MaineCare to support for the work force at 125% of minimum wage. This was critically important to compete against what other business types were offering. In 2021 Maine's minimum wage was \$12.15 an hour and the golden arches were paying up to \$20, roughly 164% of minimum wage.

With natural disasters, extreme weather and, wars around the globe (all factors, out of our control that effect day to day prices) MaineCare funded services not only deserve the COLA promised but also need this increase to continue to meet the needs of our staff, our contractors, our facilities and to provide care for our members in the best way possible. As a publicly funded service, MaineCare supported agencies are expected to meet high standards set by the state. Please continue to give us the resources that help us meet those standards.

My second concern about the COLA is the language. It was suggested by the Governor that the language be changed and to tie the COLA to the budget, "such that rate adjustments are subject to available appropriations". This could be interpreted as saying – If and only **IF** there is enough **EXTRA** money in the budget would the COLA be granted. What really concerns me is that even with a 93.5 Million dollar surplus in 2024, we are being told there is no money for the COLA. My question would be "How much of

a surplus would there need to be to trigger the COLA? Who would be safeguarding that money ALREADY promised, to make it through appropriations at that point and not go somewhere else? Would we ever see a COLA again? This seems backwards to me. When you pass bills, in my opinion it is not only a promise, but part of the rules. Agencies cannot decide which parts of the rules to embrace or ignore, neither should our law makers. You make a rule – the appropriations committee should stick to it. The COLA should automatically be built into the budget. It should be planned for and expected in the creation of any budget going forward, not left to the whim of “if’s” and “buts.”

Thank you for your time.

Chris DeFeo

CHRISTINE DEFEO
Newburgh
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