



## Testimony of Brenda Peluso on Behalf of Maine's Essential Care & Support Workforce Partnership

Delivered on January 23, 2025

**In Favor of LD 209** - An Act to Make Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2025

Dear Senators Rotundo and Ingwerson, Representatives Gattine and Meyers, and esteemed members of the Joint Standing Committees of Appropriations and Financial Affairs and Health and Human Services,

My name is Brenda Peluso, and I am the coordinator for Maine's Essential Care & Support Workforce Partnership, a broad coalition of employers, workers, and concerned individuals working to increase access to quality direct care and support in Maine by changing the way we value workers and the work they do.

I am testifying in favor of LD 209 generally, but I urge you to address the Mills administration's decision to NOT implement the annual cost-of-living adjustment for MaineCare services, as required by statute (22 M.R.S.A §3173-J and §7402), by providing the necessary funding in this supplemental budget.

Today, due to the ongoing critical shortage in the frontline workforce, too many Maine people who need assistance with activities of daily living are facing serious challenges, including worsened physical and mental health, higher risk of falls and injuries, hospitalization, neglect, institutionalization, and even homelessness and death. Additionally, this shortage is putting strain on family caregivers and our economy. It would not be a stretch to say that most people in this room today know someone or are someone who has experienced this lack of affordable or available care for a loved one.

Maine's commitment to helping grow the essential care and support workforce is starting to finally show some promising but limited success. Over the years, state staff, the legislature, and diverse groups of stakeholders - employers, workers, advocates, and higher education institutions - have collaborated tirelessly. Their efforts are showing results: the size and capacity of this workforce are gradually increasing. Employers are reporting fewer openings, reduced turnover, and an ability to serve more clients.

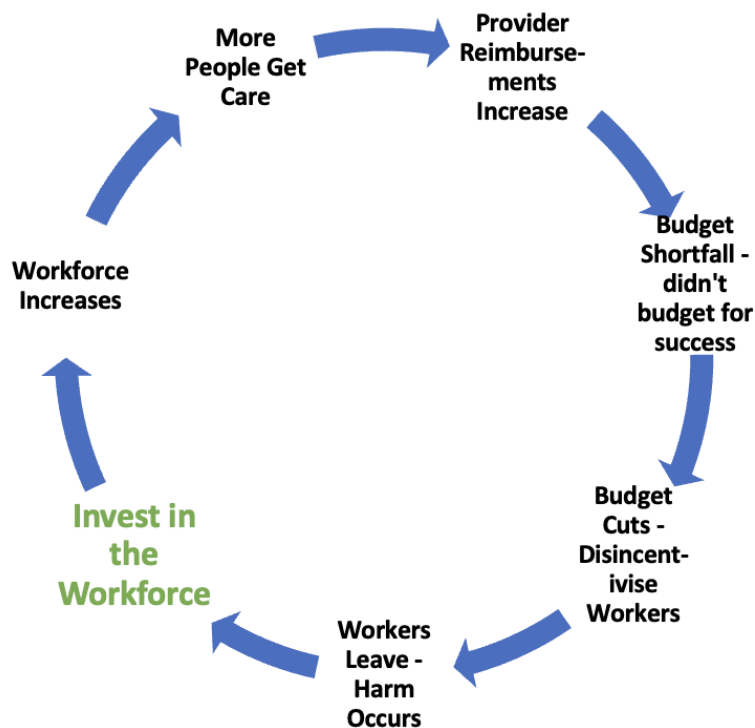
However, this progress is fragile at best, and is not keeping pace with demand. For example, according to the Maine Center for Economic Policy, the workforce shortage has resulted in at least 23,500 hours per week of home care for older Mainers going unserved. They estimate we need at least another 2,300 workers just to meet this current need, and another 37,000 to join the ranks over the next decade due to our aging demographics and workforce turnover.

MaineCare reimbursement rates to employers of these essential care and support workers are a critical component of how the State meets their commitment to growing this workforce. Just weeks before the 4th quarter of the current biennium, providers were told that due to budget shortfalls, the required COLA

that was to accompany the increase in the State's minimum wage would not be included in reimbursement rates to providers. You will hear or have already heard from many of these providers and workers about how this has impacted their financial health and the health of the workforce. We are also very concerned about the increased number of people who may go without care if this workforce is disrupted.

Our investments in growing this workforce need to be consistent and persistent. This decision to not provide the promised COLAs is a costly disruption in our fragile progress and restoring them should be among your highest priorities.

As you contemplate the reason behind the Supplemental Budget - increased MaineCare utilization, we urge you to consider that we will be caught in a perpetual trap of under budgeting for the success of efforts to grow the workforce if we continue to only make appropriations based upon the previous two years expenditures. Below are the inevitable results of not forecasting and budgeting for successfully growing this workforce. This will become an annual occurrence if we don't start to understand what it will cost us to provide care and support to everyone who is entitled to care and support, including those who are not receiving it.



We thank the members of the committee who have asked important questions of the Department of Health & Human Services about the decision to withhold these critical COLAs and we are happy to serve as a resource on this critical workforce.

[See attached letter to legislative leadership for more information and a list of signatories.](#)



*A broad partnership of employers, workers, and concerned individuals working to increase access to quality direct care and support in Maine by changing the way we value workers and the work they do.*

December 24, 2024

President of the Senate, Matthea Elisabeth Larsen Daughtry

Senate Majority Leader, Teresa Pierce

Senate Minority Leader, Harold "Trey" Stewart, III

3 State House Station

Augusta, ME 04333

Speaker of the House, Ryan Fecteau

House Majority Leader, Matt Moonen

House Minority Leader, Billy Bob Faulkingham

2 State House Station

Augusta, ME 04333

Dear President Daughtry, Speaker Fecteau, and Leaders of the 132nd Maine Legislature,

We, the undersigned, write to express urgent concern over the Mills administration's December 2, 2024 [announcement](#) that the Department of Health and Human Services will not implement cost-of-living adjustments for MaineCare programs, including those which serve tens of thousands of older adults, people with physical, intellectual and developmental disabilities, and people with behavioral health needs. This action violates state law and the recent DOJ settlement, exacerbates a worsening care crisis, diminishes our state's economy, and abdicates the state's responsibility to protect the health of Maine people. We ask you to immediately take action to direct the state to implement the annual cost-of-living adjustment for MaineCare services as required by 22 M.R.S.A [§3173-J](#) and [§7402](#).

We are members of the [Essential Care and Support Workforce Partnership](#), which is driven by the belief that every person who needs care and supports should be able to access them, especially those who are entitled to care paid for by MaineCare. We know that a well-trained and appropriately compensated direct care workforce is essential to the health and well-being of Maine's people and economy.

As you know, our state has long faced significant challenges in maintaining an adequate workforce able to meet the long-term supports and services needs of Mainers. Lawmakers have made critical investments to avoid catastrophic outcomes for consumers of these services. In 2021, collaboration

among legislators, DHHS, and stakeholders resulted in the codification of a system to review reimbursement rates every five years and, for all other years, implementing an automatic COLA tied to the consumer price index. Lawmakers also implemented the recommendations of the Long-Term Care Workforce Commission to annually adjust the labor components for essential support service reimbursement rates to at least 125% of the state minimum wage.

The decision to violate state statute and delay implementing the COLA will cause worse health outcomes and further reduce access to services in every corner of our state. It risks forcing provider agencies, including but not limited to private non-medical institutions (PNMIs), home care, mental and behavioral health, and home and community-based providers to people with disabilities, to close or collapse services and direct care professionals to exit the sector due to already challenging working conditions and insufficient compensation. These people care deeply about their work, but there are limits to how far they can risk their own wellbeing to continue pursuing their chosen profession. Once they leave the sector because they feel undervalued, they are unlikely to return.

In recent years, Maine Center for Economic Policy (MECEP) has explored the [myriad costs](#) of undervaluing our direct care professionals, and the [scale of the care gap](#) that already exists. Their research finds the failure to sufficiently invest in the direct care workforce costs our economy upwards of \$1 billion in annual economic output; places significant strain on our hospital capacity; and reduces public revenue by tens of millions of dollars. MECEP finds our state needs more than 2,300 additional full-time workers to bridge the gap between the care people are entitled to and approved for and what is available. At a time when the state must make more significant investments in this system and its workers, the administration's announcement takes us in the wrong direction and will likely result in real harm to this workforce and Maine people.

We ask you to work with the administration to find the funding necessary to implement the COLA as mandated by state law. If current appropriations are insufficient to cover the full cost for this fiscal year, we call on the legislature to allocate additional funds to ensure continuity for MaineCare consumers and providers.

Sincerely, Concerned members of the Essential Care and Support Workforce Partnership  
*See full list on pages 3-5*

cc: Co-Chairs of the Joint Standing Committee on Health & Human Resources, Representative Meyer and Senator Ingwersen; Kirsten Figueroa, Commissioner, Department of Administrative and Financial Services; Sara Gagné-Holmes, Commissioner, Department of Health and Human Services; Jeremy Kennedy, Chief of Staff; Bethany Beausang, Senior Policy Advisor

## Concerned members of the Essential Care and Support Workforce Partnership

**Employers of Essential Care & Support Workers** - 47 Employers representing approximately 9,500 Essential Care & Support Workers and serving over 39,500 Maine people

Align Home Care | [alignhomecareservices.com](https://alignhomecareservices.com) | Cumberland County

Alternative Services, NE | [www.asi-ne.org](http://www.asi-ne.org) | Androscoggin County, Cumberland County, Kennebec County, Oxford County, Somerset County

Andwell Health Partners | [www.andwell.org](http://www.andwell.org) | Androscoggin County, Aroostook County, Franklin County, Kennebec County, Oxford County

Aroostook Mental Health Center | [www.amhc.org](http://www.amhc.org) | Aroostook County, Hancock County, Washington County

Assistance Plus | [www.assistanceplus.com/](http://www.assistanceplus.com/) | Franklin County, Kennebec County, Knox County, Somerset County, Central Maine

Breakwater Commons | <https://breakwatercommons.com/> | Knox County

Bridges Home Services/Spectrum Generations | [www.spectrumgenerations.org](http://www.spectrumgenerations.org) | Statewide

Central Aroostook Association | [www.centralaroostookassociation.com](http://www.centralaroostookassociation.com) | Aroostook County

Coastal Opportunities | [www.coastalopportunities.org](http://www.coastalopportunities.org) | Knox County

Commonsense Housing | [www.commonsensehousing.org](http://www.commonsensehousing.org) | Penobscot County

Community Living Association | [clamaine.org/](http://clamaine.org/) | Aroostook County, Penobscot County, Washington County

Creative Options | [www.creativeoptionsllc.org](http://www.creativeoptionsllc.org) | Statewide

Creative Trails/Support Solutions | [www.supportsolutions.org](http://www.supportsolutions.org) | Cumberland County, York County

Creative Works | [www.creativeworksystems.org](http://www.creativeworksystems.org) | Androscoggin County, Cumberland County, Kennebec County, York County

Day One | [www.day-one.org](http://www.day-one.org) | Residential services are State wide, Outpatient services are within York, Cumberland, Oxford and Androscoggin counties

Downeast Horizons | [www.dehi.org](http://www.dehi.org) | Hancock County, Penobscot County, Piscataquis County, Somerset County

GMS | [www.gmsme.org](http://www.gmsme.org) | Androscoggin County, Cumberland County, Franklin County, Hancock County, Kennebec County, Knox County, Lincoln County, Oxford County, Penobscot County, Piscataquis County, Sagadahoc County, Somerset County, Waldo County, York County

Gallant Therapy Services | [www.gallanttherapyservices.com](http://www.gallanttherapyservices.com) | Androscoggin County, Kennebec County, Piscataquis County, Sagadahoc County, Somerset County

Happy Haven | <https://happyhaven.llc/> | Androscoggin County

Hope Association | [hopeassociation.org/](http://hopeassociation.org/) | Androscoggin County, Franklin County, Oxford County

Independence Association | [www.independenceassociation.org/](http://www.independenceassociation.org/) | Androscoggin County, Cumberland County, Kennebec County, Sagadahoc County

Independence Advocates of Maine | [www.iamsupports.org](http://www.iamsupports.org) | Aroostook County, Hancock County, Knox County, Penobscot County, Piscataquis County, Waldo County, Washington County

Jmpb inc. DbA Assistance Plus | [www.assistanceplus.com](http://www.assistanceplus.com) | Androscoggin County, Franklin County, Kennebec County, Knox County, Lincoln County, Oxford County, Penobscot County, Sagadahoc County, Somerset County, Waldo County

John F. Murphy Homes, Inc. | [www.jfmh.org](http://www.jfmh.org) | Androscoggin County, Cumberland County, Franklin County, Kennebec County, Sagadahoc County, York County

LEAP, Inc. | [www.leapcommunity.org](http://www.leapcommunity.org) | Androscoggin County, Franklin County, Kennebec County, Oxford County, Somerset County

Living Innovations | [www.livinginnovations.com](http://www.livinginnovations.com) | Statewide

Maine Vocational and Rehabilitation Associates | [mainevocandrehab.com/index.html](http://mainevocandrehab.com/index.html) | Cumberland County, Kennebec County, Knox County, Penobscot County

Milestone Recovery | [www.milestone-recovery.org](http://www.milestone-recovery.org) | Statewide

Mobius, Inc. | [www.mobiusinc.org](http://www.mobiusinc.org) | Cumberland County, Kennebec County, Knox County, Lincoln County, Sagadahoc County, Waldo County

Morrison Center | [www.morrison-maine.org](http://www.morrison-maine.org) | Statewide

NeuroRestorative-Maine | [www.sevitahealth.com](http://www.sevitahealth.com) | Cumberland County, York County

North Country Associates, Inc. | [northcountryassociates.com/](http://northcountryassociates.com/) | Statewide

Northern Aroostook Alternatives, Inc. | [www.northernaroostookalternatives.com](http://www.northernaroostookalternatives.com) | Aroostook County

OHI | [www.ohimaine.org](http://www.ohimaine.org) | Hancock County, Penobscot County, Waldo County, Washington County

Penquis | [www.penquis.org](http://www.penquis.org) | Knox County, Penobscot County, Piscataquis County

Personal Onsite Development | [www.facebook.com/PODMaine/](http://www.facebook.com/PODMaine/) | Androscoggin County

Pines Senior Communities, The | [www.thepinescommunity.org](http://www.thepinescommunity.org) | York County

Port Resources | [www.portresources.org](http://www.portresources.org) | Cumberland County, York County

Progress Center, The, Inc. | [www.progresscentermaine.org](http://www.progresscentermaine.org) | Androscoggin County, Cumberland County, Oxford County

PSL Services STRIVE | [www.pslstrive.org](http://www.pslstrive.org) | Androscoggin County, Cumberland County, York County

SeniorsPlus | [www.seniorsplus.org](http://www.seniorsplus.org) | Statewide

SKILLS, Inc. | [www.skillsinc.net](http://www.skillsinc.net) | Somerset, Kennebec, Penobscot

Spurwink | [www.spurwink.org](http://www.spurwink.org) | Statewide

UCP of Maine | [www.ucpofmaine.org](http://www.ucpofmaine.org) | Kennebec County, Penobscot County, Piscataquis County, Somerset County, Waldo County

Uplift, Inc. | [www.upliftmaine.org](http://www.upliftmaine.org) | Androscoggin County, Cumberland County, Franklin County, Kennebec County, Knox County, Lincoln County, Oxford County, Sagadahoc County, Somerset County, Waldo County

Wellspring | <https://wellspringmaine.com/> | Statewide

Woodfords Family Services | [www.woodfords.org](http://www.woodfords.org) | Androscoggin County, Cumberland County

**Associations, Research Institutions, Advocates, and Others** - 13 entities and individuals with subject area expertise serving the entire State of Maine and individuals impacted by the workforce shortage

3i Housing of Maine | [www.3iHome.org](http://www.3iHome.org) | Statewide

Alliance for Addiction & Mental Health Services, Maine | <https://thealliancemaine.org/> | Statewide

Alzheimer's Association, Maine Chapter | [www.alz.org](http://www.alz.org) | Statewide

Direct Care and Support Professional Advisory Council | <https://www.mainedirectcarepros.org/> | Statewide

Home Care & Hospice Alliance of Maine | [homecarealliance.org](http://homecarealliance.org) | Statewide

LeadingAge ME NH | [www.leadingagemenh.org](http://www.leadingagemenh.org) | Statewide

Maine Association for Community Service Providers (MACSP) | [www.meacsp.org](http://www.meacsp.org) | Statewide

Maine Association of Nonprofits | [www.nonprofitmaine.org](http://www.nonprofitmaine.org) | Statewide

Maine Center for Economic Policy | [www.mecep.org](http://www.mecep.org) | Statewide

Maine Council on Aging | [www.maineCouncilonaging.org](http://www.maineCouncilonaging.org) | Statewide

Maine Health Care Association | [www.mehca.org](http://www.mehca.org) | Statewide

Maine Long Term Care Ombudsman Program | [www.maineombudsman.org](http://www.maineombudsman.org) | Statewide

PHI | [www.phinational.org](http://www.phinational.org) | Nationwide

Brenda Peluso  
Maine's Essential Care & Support Workforce  
LD 209

I'm hoping to arrive in time to testify in person, but may need to only submit written testimony.