



Written Testimony on LD 210, the Governor's Proposed Biennial Budget

February 12, 2025

Senator Rotundo, Representative Gattine, Senator Ingwersen, Representative Meyer, and members of the Appropriations & Financial Affairs Committee and Health & Human Services Committee:

My name is Kenneth Albert, R.N., Esq., and I serve as the President and Chief Executive Officer for Andwell Health Partners, the parent entity for lines of clinical service, including Andwell Hospice Care, Andwell Home Health Services, Andwell Maternal & Child Health (our pediatric home health division), and Andwell CareGivers – to name a few. Andwell Health Partners is the largest independent care-at-home provider in Maine, and one of the largest in New England. With 800 employees, we navigate health care for roughly 4500 patients per day across Maine. Andwell Health Partners submits testimony in opposition to LD 210, the Governor's Biennial Budget proposal.

Without question, Maine's health care delivery system is fragile. Also without question, our Governor, Maine's Legislature, indeed all Mainers face some very difficult prioritization challenges as we budget for 2026/27. I submit that anything – anything at all – that further compromises the integrity of our health care infrastructure, which is so vital to thriving communities, must receive intense scrutiny.

The lack of funding for MaineCare will – without question – further erode a fragile ecosystem of health care in Maine.

Rates for Home & Community Based Services:

While Andwell appreciates the proposed \$122 million investment per year to stabilize the MaineCare program and cover current service levels, we are deeply troubled that this budget proposal does not contain any funding for MaineCare rate increases for home care services.

In a recent study by the Maine Center for Economic Policy, **“the average duration for a delayed [hospital] discharge was 17 days and cost tax payers more than \$31,000.00 per patient. Conversely, a recent study found home health care represents a significant opportunity to reduce preventable adverse outcomes and costs following hospital discharges, estimating home health care after discharge saved on average \$6433 per patient and decreased the risk of re-hospitalization and death”.**¹

Andwell has been very vocal about the need for MaineCare rate increases for many years, especially for clinical services such as nursing and therapies. These services are a critical part of the healthcare

¹ <https://www.mecep.org/wp-content/uploads/2023/04/The-High-Cost-of-Undervaluing-Direct-Care-Work.pdf#:~:text=One%20study%20from%20the%20US%20found%20the,adverse%20effects%20and%20costs%20following%20hospital%20discharge%2C>.



continuum. Currently there are thousands of hours of unmet nursing care in the home care sector each month, and this is directly tied to inadequate reimbursement rates. A failure to address these rates which have not been adjusted more than once in twenty years will absolutely expand already existing access deserts across Maine for MaineCare beneficiaries. The services we provide are a rare and declining commodity in Maine, and while we have always worked to offset losses associated with MaineCare, the negative impact on our margins associated Medicare Advantage simply prevent us from any longer allocating our human resources to the lowest payer.

The Home Care & Hospice Alliance of Maine worked on legislation to raise rates during the 129th and 130th legislative sessions, but funding was not appropriated. During the 130th session, the Legislature worked with DHHS to enact a standard process for rate setting. Since that time, providers of home care services have been patiently awaiting their turn in the queue for a rate determination process. DHHS began the process of examining rates for home and community based services in 2024. According to DHHS, this rate determination process is scheduled to be completed in April of this year, however no funding was included in this budget to cover rate increases for these services.

Current wages for nurses in home care have fallen drastically behind market rates due to low MaineCare reimbursement rates. Current reimbursement rates for these services are based off a 2016 rate study, which utilized data from 2012-2014. Utilizing data from 2012 to reimburse for services in 2025 is completely inadequate and has led to severe workforce shortages and care deserts across the state.

For further punctuation -- testimony on the Alliance's 2021 bill to address this issue, DHHS acknowledged the insufficient rates for these services, stating that, "...Section 19 and 96 nursing rates are low and in need of an update, averaging only 52% of the comparison rate." The Department has also acknowledged that rates for Section 40 (skilled home health) are also inadequate given inflationary factors.

We urge you to include funding for MaineCare rate increases for home healthcare services in this biennial budget. **A failure to invest in home-based healthcare services will cost the state more in the long run.**

Hospice Rate Change:

The budget proposal includes a funding cut to reflect rate changes for MaineCare Section 43, Hospice Services. The department is proposing cutting the hospice rate from 123% to 100% of the Medicare rate. While certainly unexpected, and just one more negative financial impact, this may ultimately be an area for compromise in a battle of priorities. That said – hospice providers are very concerned with the deviation from Maine law regarding this rate cut.

Andwell is concerned that the department is proposing this change outside of the rate setting process laid out in statute. According to the department's proposed schedule for rate determinations, they are planning to initiate a rate determination process for MaineCare Section 43 in calendar year 2025. Instead of following the process laid out in statute and undertaking this rate determination first, the department is instead



proposing a rate cut for hospice services in this budget without a comprehensive analysis of the rate or any feedback from providers. This ignores statutory requirements for rate setting.

It should also be noted that in 2001, the legislature passed a law directing MaineCare to establish a hospice benefit and directed the department to establish reimbursement at the Medicare rate plus 23%. There was clear intent to reimburse hospice care at a level to sufficiently cover the costs for providing hospice care. It was well appreciated that individuals accessing MaineCare hospice services are younger than Medicare beneficiaries with ages ranging from children to young adults. Younger individuals facing an end of life diagnosis often seek more aggressive care options to extend their life, and palliative services to manage symptoms. Care for the family is also more complex as patients may be the parents of children or the patient may in fact be the child. End of life care for this population is far more resource intensive than hospice care for our older population seeking symptom management and emotional care at end of life.

Andwell's understanding of caring for the MaineCare population at the end of life has proven to be accurate with MaineCare hospice patients accessing care at the very end of life when the intensity of hospice care is significant – nursing care, complex pharmaceutical management for pain and anxiety, medical equipment in the home and intensive social work support to help the family navigate the pending death. All of this care is provided in a short period, sometimes for just a few days or a week. This is why the legislature set a clear expectation that MaineCare reimbursement for hospice care needed to be higher than Medicare hospice rates of payment.

At a minimum, the Department must follow existing laws regarding rate setting for hospice services administered to MaineCare beneficiaries.

With respect and admiration for your service,

A handwritten signature in cursive script that reads "Kenneth Albert".

Kenneth J. Albert, R.N., Esq.
President & CEO
Andwell Health Partners

(Also, Chairman of the Board of Directors – National Alliance for Care at Home – America's trade association serving over 33,000 members in the home health and hospice sector.)



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