

## **Home Care & Hospice Alliance of Maine 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 Daryl Cady, and I serve as Chief Executive Officer of Hospice of Southern Maine (HSM). HSM is submitting testimony in opposition to LD 210, the Governor's Biennial Budget proposal.

HSM is the only independent agency providing hospice-only services in southern Maine. Since opening in 2004, we have cared for about 25,000 Mainers. Daily we care for about 260 patients throughout Cumberland and York Counties in their homes, nursing and assisted living facilities, and in our in-patient unit, Gosnell Memorial Hospice House.

We recognize that this was a difficult budget for the Administration to craft. We are deeply concerned about several issues in this proposal, specifically the lack of funding for MaineCare rate increases and cost-of-living adjustments and the proposed cut to the hospice rate.

### **Rates for Home & Community Based Services:**

Many of my colleagues have address rates for home and community based services, and I am deeply troubled that this budget proposal does not contain any funding for MaineCare rate increases for home care services.

Providers of home care services have been vocal about the need for MaineCare rate increases for many years, especially for clinical services such as nursing. These services are a critical part of the healthcare 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.

In fact, in 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."

Home care agencies can't compete with other providers to hire enough nurses. For many of our member agencies, the patients they serve are almost entirely MaineCare patients. There are no other payers that can help pick up the slack from inadequate MaineCare rates.

## **Hospice rate change:**

Home care and hospice often work hand in hand across the care continuum providing support to patients and their families. 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. Hospice providers were not expecting this cut and are concerned with the impact this cut would have on service delivery across the State.

HSM provides care to all in Cumberland and York counties and with this proposed cut, the financial impact would be approximately \$200K. That might not seem like much in a multi-million dollar budget, but to an agency the size of HSM, it's staffing, COLA increases, supplies, ancillary services, education, training, etc.

We are also 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 look at the rate or any feedback from providers. This appears to run completely counter to statutory requirements for rate setting.

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 cover the cost of providing care. 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 different than caring for elderly individuals seeking comfort care at end of life.

Our 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 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.

Thank you,

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