

**Testimony of Wanda Pelkey  
CEO, First Atlantic HealthCare**

Wednesday, February 12, 2025 at 1:00 PM

To the Joint Standing Committee on Appropriations and Financial Affairs and the  
Joint Standing Committee on Health and Human Services

In Opposition to:

**LD 210, An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027**

Good afternoon, Senator Rotundo, Representative Gattine, Senator Ingwerson, Representative Meyer and distinguished members of the Joint Standing Committees. My name is Wanda Pelkey and I serve as the CEO of First Atlantic Healthcare. I am providing this written testimony in opposition of LD 210.

Our company represents 20 nursing and residential care facilities throughout Maine, caring for about 1,400 of our State's frailest citizens. Over the last few years our First Atlantic group sadly lost three nursing facilities due to MaineCare rates being too low to cover the high cost of labor. Our facility losses, like the others in Maine, are dispersed throughout the state which underscores the underfunding problem isn't limited to a certain region or rural vs urban. I know all too well the pain and suffering each closure brings to residents and their families, including some who were forced to move multiple times due to sequential closures.

Thus, I'm grateful the legislature took these closures seriously and last year appropriated funding for Nursing Facility Rate Reform so reimbursements could better fund the cost of care and halt closures. I appreciate the collaboration by DHHS and providers to develop the new rates which were implemented on January 1. In fact, the system is so new that we haven't yet received our first payments under the new rates. Yet already, there are elements proposed in Part UU of LD 210 that will impact rates and jeopardize the survival of our long term care homes.

First and foremost, the LD proposes to strip away annual cost of living increases (COLA) that are vitally necessary for both nursing and residential care facilities to provide competitive wages and benefits to our direct care workers.

Many other provisions relate specifically to the new Nursing Facility Rate Reform system:

- LD 210 strips away every two-year rebasing in current statute and inserts language that requires rates get re-evaluated once every five years going forward. Because of

economic pressures driven by direct care worker shortages, rates should be reviewed more often to ensure they continue to support the cost of adequate staffing.

- The bill also strips away funding language in the current statute that provides a regional wage adjustment so direct care rates are adjusted relative to hourly labor rate differences across Maine. Treating all regions in Maine the same ignores the reality of much higher cost of housing in southern Maine and higher wage rates needed by employees to live there.
- LD 210 further jeopardizes the recent inclusion in statute that MaineCare rates must be high enough to pay all caregivers at least 125% of minimum wage. This was deemed vitally important by the [Long Term Care Workforce Commission](#), and in 2021 the legislature enacted a measure to require the labor portion of the MaineCare reimbursement rate for all direct care workers to be set at 125% of the state minimum wage to attract and retain direct care workers for our growing health care needs. Making this requirement optional and subject to sufficient appropriations means rates will no longer be required to be adjusted when the minimum wage rate rises. Without this guarantee, facilities will no longer be able to afford the higher rates needed to attract CNAs who are the backbone of our workforce.

I appreciate your attention, and my apologies that I'm unable to be there in person to present testimony today. Please do not hesitate to contact me if you'd like to learn more about how this bill could endanger access to long term care services in Maine. Thank you.