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Commissioner



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March 10, 2025

Senator Henry Ingwersen, Chair
Representative Michele Meyer, Chair
Members, Joint Standing Committee on Health and Human Services
100 State House Station
Augusta, ME 04333-0100

Re: LD 514 – *Resolve, to Raise MaineCare Reimbursement Rates for Detoxification Services for Substance Use Disorder Treatment*

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services, thank you for the opportunity to provide information in opposition to LD 514, *Resolve, to Raise MaineCare Reimbursement Rates for Detoxification Services for Substance Use Disorder Treatment*.

This resolve requires the Department of Health and Human Services (the “Department”) to amend its rule Chapter 101: MaineCare Benefits Manual (MBM), Chapter III, Section 97, Private Non-Medical Institution Services, Appendix B to reimburse for non-hospital-based medically supervised withdrawal services at no less than \$594.38 per day. It requires the Department to amend the rule no later than January 1, 2026.

As written, LD 514 proposes to alter the reimbursement for MaineCare services outside of 22 MRSA §3173-J, which established a standardized process for assessing and determining MaineCare reimbursement rates. The goal of 22 MRSA §3173-J was, in part, to move toward more consistent, equitable and data-driven rates that create incentives for providers to efficiently deliver high-quality care to MaineCare members. This bill would circumvent the statute by making an exception for a specific provider type and setting a rate without the benefit of the systematic, methodological approach provided under 22 MRSA §3173-J .

The rate proposed in LD 514 (no less than \$594.38 per day) appears to be arbitrary and is not accompanied by a rate model or justification. The Department estimates that if passed as drafted, LD 514 would increase reimbursement to Private Non-Medical Institution Services, Appendix B providers for non-hospital-based medically supervised withdrawal services by 47.2% for services delivered with regular staffing levels and by 138.4% for services delivered with lower staffing levels. The Department increased rates for these services significantly in 2021 and made annual COLA adjustments at the starts of State Fiscal Years 2023 and 2024. LD 514 would interrupt and interfere with the rate determination process established by 22 MRSA 3173-J and could result in subsequent decreases in reimbursement if the Department’s standard, statutorily defined rate determination process finds that the rate in LD 514 is not supported.

If passed, the Department would be required to request the necessary state plan amendments from the federal Department of Health and Human Services, Centers for Medicare & Medicaid Services and

adopt routine technical rules upon federal approval. The adoption of a rule reflecting the updated reimbursement methodology is time intensive and unlikely to be completed prior to the January 1, 2026 date proposed in LD 514.

The Department requests the committee observe the statutory rate reform process outlined in 22 MRSA §3173-J and oppose LD 514. I would be happy to answer questions and provide additional information should it be helpful to the Committee.

Sincerely,

A handwritten signature in cursive script that reads "Jessica Miller".

Jessica Miller
Associate Director of Policy
MaineCare Services