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Commissioner



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April 14, 2025

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

Re: LD 1345 – *Resolve, Directing the Department of Health and Human Services to Timely Provide Interim Settlement Payments to Long-term Care Facilities*

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 1345, *Resolve, Directing the Department of Health and Human Services to Timely Provide Interim Settlement Payments to Long-term Care Facilities*.

This bill sets an October 1, 2025 deadline for the Department to: (1) pay nursing facilities (NFs) 75% of as-filed settlement amounts covered by Resolve 2023, chapter 121, subsection 1 and to adopt emergency rules by December 1, 2025; (2) pay residential care facilities (RCFs) 75% of as-filed settlement amounts and to adopt emergency rules by December 1, 2025. The bill also requires the Department to accomplish this within existing resources.

The Department is not opposed to the concept of the bill; however, the operationalization of the proposed reimbursement practices for RCFs and accelerating outstanding payments to NFs is not feasible utilizing existing resources.

While the Department has already paid NFs \$4,345,379 since February 2024 pursuant to Resolve 2023, chapter 121, as written, LD 1345 would require an additional \$11,108,679 in one-time funding (\$7,841,716 in State Funds and \$3,266,963 in Federal Fund) to be allocated July 1, 2026, in order to get ahead of LD 1345's additional requirements. That is comprised of \$5,151,978 (\$1,991,372 in State Funds and \$3,160,606 in Federal Funds) to pay NFs 75% of prior year as-filed settlement amounts (i.e., those that have not yet been paid pursuant to Resolve 2023, chapter 121) and \$5,956,701 (\$5,850,344 in State Funds and \$106,357 in Federal Fund) for the new RCF requirement.

The bill would also require funding for the addition of a Staff Auditor I position at the Division of Audit, since the number of Appendix C PNMI audits would double.

Lastly, completing the required RCF rulemaking to Chapter 115 (Principles of Reimbursement for Residential Care Facilities – Room and Board Costs) is not possible by December 1, 2025, as proposed in LD 1345.

If this funding were to be allocated and the timing issues addressed the Department would have no identified concerns with the bill, although we would make one clarification: the Department has already adopted rules implementing Resolve 2023, chapter 121, subsection 1; thus the bill's section 2 is unnecessary.

The Department would be happy to provide additional information and further discuss the challenges associated with LD 1345 and our opposition to moving forward with the bill without allocating one-time funding to support the change. Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Probert", with a stylized flourish at the end.

Michelle Probert
Director
Office of MaineCare Services
Maine Department of Health and Human Services