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Testimony of the Maine Municipal Association

Neither For Nor Against

LD 35, An Act to Strengthen Local Emergency Medical Services by Increasing the MaineCare Reimbursement Rate for Ambulance Services

April 17, 2025

Senator Ingwersen, Representative Meyer and distinguished members of the Joint Standing Committee on Health and Human Services, my name is Rebecca Graham, and I am submitting testimony neither for nor against on behalf of Maine Municipal Association for LD 35, *An Act to Strengthen Local Emergency Medical Services by Increasing the MaineCare Reimbursement Rate for Ambulance Services*, at the direction of our 70 member Legislative Policy Committee (LPC).

As originally drafted, municipal officials supported the increased reimbursements that are also linked to private insurance reimbursements and artificially below the true cost of providing the services. As amended last night, the bill gives us pause for some truly important reasons already articulated in testimony provided under LD 210.

The amended version of the bill mirrors a budget proposal in LD 210 Part TT which does not include ambulance services paid for by municipal appropriation in a regional manner through interlocal agreements. This conflicts with other state driven policy to regionalize services particularly in rural areas where ambulance services do not receive the call volume necessary to support anything more than a regional emergency response approach.

Communities in many areas of Maine have accomplished the challenging work of bringing multiple communities together to create a regional response owned and paid for by all their municipalities. This work has been further incentivized by other state policy to appropriate funds for community informed processes and expand interlocal cooperation for emergency response and is in direct conflict with the list of exempted services in the amended version which appears to punitively tax the municipal appropriation for services most will not benefit from.

During testimony on this provision under LD 210 before the Appropriations Committee earlier this year, Department of Health and Human Services (DHHS) Deputy Commissioner Mann testified that not all services would benefit from the taxation that would be assessed on their operations. In addition, because the department isn't working from a list of service providers that qualify for the tax or the reimbursement, it is impossible to determine how much

of the \$5.3 million would go back to service providers and how much would go towards MaineCare operations. The potential increased reimbursement coming from the growth in the federal match is part of the selling point, but not everyone who pays to play will win.

In many cases interlocal services would be paying and not receiving the increase reimbursements because of the low numbers of MaineCare subscribers in their communities. These areas are frequently where the oldest population in the state reside, making them also the most unable to bear additional taxation passed through to the property tax. If the proposal should consider municipal funds as “revenue” communities would be faced with a double taxation scenario. Even if only the revenue received from emergency transport were to be taxed, communities would still be faced with the increased cost of the assessment, paid for with property taxes, with no guarantee of reimbursement.

Without amendment, the bill would create a scenario where the some of the poorest and oldest areas of the state are subsidizing this program for communities with far greater resources through a tax levy on their interlocal cooperation built to keep emergency services alive in their communities at great budget expense. We respectfully ask the sponsor and the committee to consider amending the language in §2150-M. 1 (B) to include interlocal agreements as exempted from the taxation.

B. A municipal fire or police department or any other governmental or interlocal agreement entity that provides emergency ambulance services;

Alternatively, the department could list the service providers that the new fee would pertain to directly and provide clarity as to which services this would impact which may provide a clearer picture of the fairness of the fee’s application.