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LD 1878

Opposition Testimony on L.D. 1878 – An Act to Establish a Managed Care Program for MaineCare Services

Presented to the Health and Human Services Committee

By the Maine Occupational Therapy Association (MEOTA)

May 2025

Senator Baldacci, Representative Mathieson, Representative Boyer, and honorable members of the Health and Human Services Committee:

Thank you for the opportunity to submit testimony on behalf of the Maine Occupational Therapy Association (MEOTA), representing occupational therapy professionals and providers across the state. We are writing today to express strong concern and opposition to L.D. 1878, “An Act to Establish a Managed Care Program for MaineCare Services.”

While we support the stated intent of improving care coordination and reducing costs, this proposal—if implemented—will fundamentally disrupt access to care for thousands of MaineCare members and present extraordinary administrative and financial burdens on the very providers who serve them.

This is not speculation—it is the lived experience of occupational therapy practices in other states.

A Warning from Providers in Other States

States like North Carolina, South Carolina, and Oklahoma have already transitioned to managed care Medicaid systems, and the feedback from small and medium-sized therapy practices is clear and consistent:

“We went from one payer to six payers, all who have different portals and processes.”
– Former practice owner, North Carolina

“It was a headache, in part because there were so many different ones and they all had different processes... One insurer went bankrupt and I don’t know if their providers even got paid.”

“SC and we have multiple Medicaid managed care plans and it’s a nightmare. Auths are awful, pay is sometimes less than our Fee-for-Service rates by 10-15%!”

“Oklahoma just moved to managed care in April 2024. It’s been awful. Claims are a disaster... Save every dollar. You’ll need collaboration just to survive.”

These are not isolated anecdotes. They represent a national pattern: administrative complexity explodes, reimbursement drops, and provider participation shrinks, leaving families—especially those in rural areas—with fewer and fewer options.

Impact on Maine Occupational Therapy Providers and Families

Administrative Overload:

Small practices that currently serve MaineCare patients directly through the state will be forced to navigate multiple private managed care organization (MCO) systems. Each with different portals, prior authorization rules, appeal processes, and documentation demands. This model penalizes providers who don’t have billing departments or full-time administrative staff.

Reduced Access for Patients:

If reimbursement is lowered or inconsistent—as it has been in other states—practices will have to reduce their MaineCare caseloads or stop accepting MaineCare altogether. In states like North Carolina, even large hospital systems only accept select MCO plans, leaving families unable to access consistent care even under a so-called “expansion” model.

Threat to Continuity of Care:

Maine's occupational therapy providers serve some of the most vulnerable children and adults, many of whom require consistent, long-term intervention. When MCOs introduce arbitrary utilization caps, limited provider networks, or deny care based on shifting medical necessity criteria, it is patients who suffer the consequences.

Fragmentation, Not Integration:

Managed care has not delivered better coordination in other states. Instead, it has fragmented systems. When providers are spread thin across various MCOs, with no unified care management or reimbursement infrastructure, true patient-centered coordination becomes even harder to achieve.

A Better Path Forward

Instead of shifting to managed care, Maine should invest in improving the current Fee-for-Service MaineCare system by:

Expanding support for care coordination within provider networks

Streamlining administrative systems within DHHS

Increasing provider rates to retain a robust workforce

Using targeted value-based payment initiatives that are provider-led and evidence-driven

In Closing

We urge this committee to pause and reconsider the path outlined in L.D. 1878.

Managed care may look attractive in theory, but in practice it has weakened access, demoralized providers, and increased administrative waste. Maine's families deserve better—and so do the professionals who care for them.

Thank you for your time and thoughtful consideration.

Sincerely,

Kim Davis, President MEOTA

Kate Brooks, President - Elect

Ryan Gallant, MEOTA Legislative Chair

Maine Occupational Therapy Association (MEOTA)

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