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January 27, 2026

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

Re: LD 2125 -*An Act to Sustain Access to Children's Residential Care Services*

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 2125, *An Act to Sustain Access to Children's Residential Care Services*.

The intent of this bill is two-fold. First, the bill requires the Department of Health and Human Services (the Department) to establish an emergency rate determination process for services under Chapter 101: MaineCare Benefits Manual, Chapter III, Section 97, Appendix D. Secondly, the bill would allocate \$1,000,000 to establish an emergency fund to stabilize child residential treatment providers in danger of closing a facility or closing beds in a facility. Children's Residential Care Facilities (CRCFs) provide 24-hour care to youth with high-acuity behavioral health needs on a short-term basis, ideally one to six months. These facilities serve youth with mental health, intellectual disability, or developmental disability diagnoses with symptoms dangerous to self or others and too severe to treat in community settings. CRCFs are staffed and equipped to provide specialized comprehensive, trauma-informed, child-centered, and family-focused treatment. Their services occur in a supervised therapeutic milieu in which skills and principles learned in clinical treatment are reinforced and practiced, with the goal of safely transitioning youth back into community within a family setting.

It would be extremely difficult for the Department to conduct an emergency rate determination prior to the end of this fiscal year, and doing so would require reprioritizing other time sensitive work. This bill also does not account for the financial impact of any increased reimbursement for MaineCare-covered services that may result from recommendations out of the rate determination. Rather than proceeding with an emergency rate determination process, it would be more effective to continue with the Department's planned comprehensive rate determination to ensure that the service model and corresponding reimbursement is adequately assessed. The Department posted a proposed Calendar Year 2026 Rate Determination Schedule in November 2025 and received public comment through mid-December, as required by 22 M.R.S. § 3173-J. In response to public comments, and after internal review, the Department has added Appendix D services to the Calendar Year 2026 Rate Determination Schedule. This shifts the planned start date for the rate determination to 2026 from the originally planned Calendar Year 2027 start. The

Department will assess the need for an appropriation or rule change at the conclusion of the rate determination process.


Responding to some of the provider viability issues identified in this bill, the Office of MaineCare Services (OMS) significantly increased the rates for Section 97, Appendix D Temporary High Intensity Services (THIS) in April 2025. This rate determination resulted in a 28 percent rate increase. In July 2025, the rate increased by another 1 percent due to a Cost-of-Living Adjustment (COLA).

The Department recognizes the significant need for capacity within the children's residential care continuum and the importance of supporting the stability of providers necessary to meet this need. In 2024, LD 435 passed into law requiring the Department to study children's residential treatment services and submit a [written report](#) to the joint standing committee of the legislature. The resulting report outlines the challenges articulated by Maine's residential services providers in maintaining operational viability, factors including but not limited to meeting the needs of high-acuity youth; lack of appropriate referrals; workforce shortages; financial challenges resulting from unreimbursed days; and licensing and compliance issues. Additionally, Maine is experiencing specific capacity strain for youth with autism spectrum disorder, intellectual disabilities, and developmental disabilities in residential treatment programs, and many in-state providers have expressed a lack of resources to support the level of need presented by youth referred to their facilities. While the allocation of one-time emergency funding would support residential providers at risk of closure, limiting funding to just FY2026 would create timing challenges curbing effective distribution of funds, particularly if competitive procurement is required.

As Maine continues to advance and strengthen the community mental health system of care for youth, the goal is to reduce the need for higher level, more restrictive settings for treatment and maintain adequate residential capacity for youth with intensive behavioral health needs. Maintaining adequate capacity of high-quality CRCF treatment allows children and youth to access the right level of treatment at the right time, serving children and youth close to their home and community.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

Signed by:

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Sarah Squirrell, MS
Director
Office of Behavioral Health
Maine Department of Health
and Human Services

and

Signed by:

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Michelle Probert
Director
Office of MaineCare Services
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