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Testimony of Rep. Lori K. Gramlich in support of
LD 2125, An Act to Sustain Access to Children's Residential Care Services
Before the Joint Standing Committee on Health and Human Services

Senator Ingwersen, Representative Meyer and esteemed members of the Health and Human Services Committee, my name is Lori K. Gramlich. I represent House District 131, the lovely seaside community of Old Orchard Beach. I am also Assistant House Majority Leader. I am providing testimony as a cosponsor of **LD 2125, An Act to Sustain Access to Children's Residential Care Services**.

For my entire time in the Legislature, I have worked on issues related to children's mental and behavioral health. This bill is part of that ongoing work, and it responds to a real and immediate problem in our system.

The intent of this bill is twofold. First, it requires the Department of Health and Human Services to establish an emergency rate determination process for services under Chapter 101, MaineCare Benefits Manual, Chapter III, Section 97, Appendix D. Second, it provides \$1,000,000 in one-time funding to establish an emergency stabilization fund for children's residential treatment providers that are at risk of closing facilities or reducing beds.

Children's residential care facilities provide 24-hour, short-term treatment—typically one to six months—for youth with very high-acuity behavioral health needs. These are children with serious mental health conditions, intellectual or developmental disabilities, or co-occurring diagnoses whose symptoms may be dangerous to themselves or others and cannot be safely addressed in community-based settings. These programs provide structured, trauma-informed, child-centered, and family-focused treatment in a supervised therapeutic environment with the goal of safely transitioning youth back into a family and community setting.

Maine does not currently have enough of this capacity. As a result, children are being sent out of state for care or are left waiting in hospital emergency departments because no appropriate placement is available. These are not acceptable outcomes for children or families.

I am aware that the Department has raised concerns about the feasibility of conducting an emergency rate determination this fiscal year and has pointed to its planned comprehensive rate determination process scheduled to begin in 2026. While that work is important and necessary, it does not address the immediate risk of provider closures we are facing right now.

The Department has also noted recent rate increases for certain services, including a 28 percent increase for Temporary High Intensity Services in April 2025 and a subsequent cost-of-living adjustment. While those increases were needed, they have not been sufficient to stabilize the system. Providers continue to report that current rates do not cover the true cost of care, particularly given workforce shortages, unreimbursed days, and the increasing acuity of youth being referred.

This bill does not replace the comprehensive rate determination process. It is intended to serve as a bridge—to prevent further loss of capacity while that longer-term work moves forward. Waiting until the conclusion of a future rate study does not help a provider that is deciding right now whether it can keep beds open.

The Department's own 2025 report, required by legislation passed in 2024, documents the same concerns this bill seeks to address: financial instability, staffing challenges, licensing and compliance pressures, and insufficient resources to meet the needs of youth with autism spectrum disorder, intellectual disabilities, and developmental disabilities. This legislation responds directly to those findings.

The emergency stabilization fund is designed to be targeted and time-limited. It recognizes that while one-time funding is not a long-term solution, it can prevent immediate closures and preserve critical capacity for children who need care today. The emergency clause reflects the reality that delay will result in fewer beds, more out-of-state placements, and more children stuck in inappropriate settings.

This bill is about stabilizing what we have while we continue the work of building a stronger, more responsive continuum of care. Ensuring access to community-based services and maintaining adequate residential capacity are not competing goals—they are both necessary to meet the needs of children with intensive behavioral health challenges.

I appreciate the Department's ongoing efforts, but I believe this legislation is necessary to address the urgency of the current situation. I respectfully ask for the Committee's support of LD 2125.

Thank you for your time and consideration.