



Testimony of Lillian Campbell

In opposition to

LD 2177 – An Act to Update and Improve the MaineCare Reimbursement System

Joint Standing Committee on Health and Human Services

February 11, 2026

Good afternoon, Senator Ingwersen, Representative Meyer, and members of the Health and Human Services Committee.

My name is Lillian Campbell, and I am the Administrative Coordinator and Compliance Manager for Maine Vocational & Rehabilitation Associates (MVRA) in our Bangor division. Thank you for the opportunity to provide testimony in opposition to LD 2177, An Act to Update and Improve the MaineCare Reimbursement System.

I am testifying today to share how Section 3 of LD 2177 would affect our ability to plan, stabilize services, and continue supporting the individuals and families who rely on us.

MVRA provides residential, community, and employment services for adults with intellectual and developmental disabilities, as well as individuals with mental health needs, across Penobscot, Kennebec, Cumberland, and Knox counties.

We currently support more than 200 individuals through these services. These services help people remain safely housed, build relationships, access their communities, and pursue meaningful employment and independence.

For many of the individuals we support, consistent staffing and stable, well-trained direct support professionals are essential to their safety, progress, and overall quality of life.

Section 3 of LD 2177 makes reimbursement adjustments contingent on the availability of appropriations. Even after rates are studied, finalized, and scheduled, they may still be reduced, delayed, or eliminated.

For our organization, this directly affects our ability to plan responsibly. Labor costs are our largest expense, and we must comply with mandated minimum wage increases. When reimbursement adjustments and cost-of-living increases are uncertain, we cannot confidently set wages, recruit and retain staff, or plan for growth.

We operate in a very tight labor market, and unpredictable funding directly affects our ability to fill shifts and retain experienced staff. This instability does not stay on paper. It impacts daily schedules, staff continuity, and the stability of the people we support.

In our residential programs, we have increasingly been forced to leave shifts unfilled, rely on coordinators to provide direct coverage, and pay significant amounts of overtime simply to maintain required staffing and protect the health and safety of the individuals we support. We are paying far more overtime than at any point in recent years, largely because we are no longer able to attract and hire staff at the same rate as in the past due to increasingly uncompetitive wages. As a result, we have also had to limit some community and employment services, as available staff must be prioritized to maintain essential supports. This has led to individuals experiencing fewer opportunities for community participation and employment, greater reliance on unfamiliar or rotating staff, and supervisors being pulled away from quality oversight and compliance responsibilities to cover shifts. At the same time, training and professional development have become more difficult to sustain due to financial constraints and growing support needs. These challenges are directly tied to the uncertainty surrounding reimbursement and make it increasingly difficult to stabilize services.

The current rate-setting framework was created to bring transparency, predictability, and adequacy to MaineCare reimbursement. Section 3 walks away from that commitment and returns providers to the uncertainty that the reforms were designed to correct.

For providers like MVRA, cost-of-living adjustments are not optional. Maine's minimum wage continues to increase, and without fully funded COLAs, organizations must absorb required wage increases without corresponding reimbursement adjustments. In the first years of the new rate system, when COLAs were fully applied, we experienced improved workforce stability and were better able to remain competitive in hiring and retention. Those adjustments made a meaningful difference for our residential, community, and employment services.

However, recent delays and reductions in COLAs, combined with uncertainty around new HCBS rates that have not yet been budgeted or implemented, have already begun to weaken that progress. At the same time, our organization is investing significant time and resources into compliance with new licensing requirements and preparation for redesigned services under the Lifespan Waiver. These changes require additional staff training, supervision, administrative capacity, and quality oversight. We are committed to providing high-quality, modernized services, but it is not sustainable to continue absorbing increasing operational and regulatory costs without predictable and funded reimbursement. A system that allows rates to be promised but not funded is not a stable system.

In closing, Section 3 of LD 2177 risks undoing the progress Maine has made toward a transparent and predictable rate-setting system and reintroducing chronic instability into MaineCare services.

I respectfully urge the Committee to oppose LD 2177 and to remove the language that would make MaineCare rate adjustments subject to available appropriations, so that providers can continue delivering reliable, high-quality services to individuals with disabilities and mental health needs in Maine.

Thank you for your time and consideration.

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