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Maine has adopted and continues to increase the minimum wage year over year. For MaineCare providers, labor costs are the primary driver of rates. Cost-of-living adjustments (COLAs) are essential simply to keep pace with mandated wage increases. Without regular, fully funded COLAs, providers are forced to absorb required cost increases with no corresponding rate adjustment.

In FY25, legislators intervened to restore a reduced and delayed COLA after the Administration did not propose it in either the supplemental or biennial budget. COLAs are not proposed in the FY27 supplemental budget. This pattern represents a step away from the system's original intent and places increasing strain on already fragile services.

Section 3 leaves providers unable to reliably plan for mandated wage increases, set competitive DSP wages, retain staff in a tight labor market, or maintain quality and continuity of care. As it stands, funding for HCBS rates from a determination process which began in late 2023 have yet to be proposed in the budget or implemented. We are already seeing DSP's make the difficult choice to leave this field that they love because they cannot support their families and must find employment in an industry that can offer them more sustainable wages.