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PORT RESOURCES
*Dedicated to serving adults and children with
developmental and behavioral health challenges*

To: Joint Standing Committee on Health and Human Services

Testimony of: Karen MacDonald

Re: *Opposition to LD 2177 – An Act to Update and Improve the MaineCare Reimbursement System*

Date: February 11, 2026

Good morning, Senator Ingwersen, Representative Meyer, and distinguished members of the Health and Human Services Committee. My name is Karen MacDonald, and I am the Executive Director of Port Resources. 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 here today to share how Section 3 of LD 2177 would significantly affect our ability to plan, stabilize services, and continue supporting the individuals and families who rely on us.

Port Resources supports individuals with Intellectual and Developmental Disabilities and Autism across York and Cumberland Counties. Our programs include:

- 22 residential group homes
- 10 supported apartments
- Community supports, including a day program for older adults
- Shared living
- Behavioral health services (psychiatry/med management, therapy, and psychological services)

We serve more than 300 clients and, when fully staffed, operate with a workforce of over 250 employees.

Concerns Regarding Section 3, Subsection 4 of LD 2177

The cost of doing business continues to rise. Personnel expenses—our largest cost—continue to climb, yet our wages cannot keep pace with the competition around us. Retail and food service employers often offer wages that far exceed what we are able to pay under current MaineCare rates.

This challenge is compounded by the fact that nine of our programs are located in Portland, where the local minimum wage now exceeds the state minimum. This change has placed an additional and unsustainable strain on our budget.

Without predictable rate adjustments, responsible budgeting becomes impossible. We cannot answer basic planning questions such as:

- *Can we afford to offer even a modest COLA to our staff next year?*
- *Can we replace our outdated and failing IT equipment?*
- *Can we consider new program development or innovative service models?*

The uncertainty created by tying rates to available appropriations forces organizations like ours into a reactive posture. It destabilizes services, undermines strategic planning, and reduces our ability to weather unfunded mandates or regulatory changes. This does not just affect one organization—it affects the stability of the entire system of care.

Non-profit social service providers are known for their dedication to the individuals they support, but the fundamental business needs required to sustain that work are often overlooked.

Operating high-quality services requires:

- Competitive personnel compensation
- Safe and adequate infrastructure
- Ongoing program investments
- Compliance with regulations and mandates

Although we are mission-driven, we cannot fulfill our mission with static rates that do not reflect rising costs. Other industries can adjust rates to keep pace with inflation; we cannot. We are wholly dependent on the State's rate-setting process to ensure we can pay our staff a livable wage and maintain services that meet the needs of Maine's most vulnerable residents.

For these reasons, I respectfully urge the Committee to oppose LD 2177 in its current form. Non-profit social service organizations require predictable, sustainable, and adequately funded rates to ensure continuity of care. Language that makes reimbursement rates subject to available appropriations jeopardizes the stability of essential services and the well-being of the individuals who depend on them.

Thank you for your time and for your commitment to Maine's residents.

Karen D. MacDonald
Executive Director, Port Resources
kmacdonald-fowler@portresources.org

Karen MacDonald
South Portland ME 04106
LD 2177