



2025 - 2026

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

TESTIMONY SUBMITTED TO: Joint Standing Committee on Health and Human Services

PUBLIC HEARING DATE: 02/11/2026

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Mission: To support adults and children with disabilities to achieve full and inclusive lives in their chosen communities.

Senator Ingwersen, Representative Meyer, and distinguished members of the Health and Human Services Committee:

My name is Brett Bulmer, and I am writing on behalf of Independence Association, a provider of MaineCare-funded services for individuals with intellectual and developmental disabilities. I appreciate the opportunity to offer testimony in opposition to LD 2177, as written.

Maine already has a structured rate-setting framework, adopted in 2022 with bipartisan support, that was designed to promote transparency, predictability, and adequacy in MaineCare reimbursement. LD 2177 undermines that framework by allowing the State to reduce, delay, or eliminate cost-of-living adjustments (COLAs) and rate adjustments at its discretion--even after rates have been studied, finalized, and scheduled.

Maine law already establishes a clear obligation. Title 22, section 3173-J establishes a rate-setting system “for the development and maintenance of MaineCare payment models and rates” that are consistent with quality of care and adequate to support member access. **Rates that are not adjusted to reflect rising, state-mandated costs are not being maintained--they are being eroded.**

For labor-intensive MaineCare services, particularly those serving people with intellectual and developmental disabilities, annual COLAs are not optional enhancements. They are the mechanism by which rates remain adequate over time.

Section 3 formalizes instability. Section 3 of LD 2177 makes reimbursement adjustments explicitly subject to the availability of appropriations and allows the Department to reduce, delay, or eliminate COLAs and rate adjustments even after a rate determination process is complete. A system that allows rates to be promised but not funded is not a stable system and reverses the Legislature’s prior commitment to predictability.

In a minimum-wage state, COLAs are necessary. Maine has chosen to increase the minimum wage year over year. These increases are mandatory for providers and represent the primary driver of service costs. When MaineCare rates are not adjusted accordingly, providers must absorb those increases, leading to workforce instability, reduced capacity, or service disruptions--all of which undermine access and quality for MaineCare members.

In conclusion, LD 2177 acknowledges the importance of COLAs in theory but nullifies them in practice by allowing the State to opt out when it chooses. **If the State relies on community-based providers to deliver these services on its behalf, it has an obligation to ensure those providers have the resources necessary to meet quality, safety, and access standards.** This bill, as written, fails to do that.

For these reasons, I respectfully ask the Committee to remove language that makes the MaineCare rate-setting system--and the reimbursement for specific services--subject to the availability of appropriations, and to preserve a rate system that is predictable, adequate, and capable of sustaining vital services for individuals with disabilities.

Respectfully submitted,

Brett Bulmer, Executive Director

