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LD 2212

Senator and Representative Chairs, and honorable members of the Joint Standing Committees on Health and Human Services and Appropriations and Financial Affairs:

My name is Ryan Gallant, and I live in Augusta, Maine. I am the President and Owner of Gallant Therapy Services, a Maine-based healthcare and community support organization serving families across the state. I am submitting this testimony in strong support of restoring the Cost-of-Living Adjustment (COLA) for MaineCare Direct Care Service programs in the supplemental budget.

This issue is not theoretical. It is affecting the ability of providers across Maine to maintain safe staffing, deliver consistent services, and retain a workforce that is already stretched beyond its limits.

COLAs Are Required Under Maine Law

Maine law is clear: annual cost-of-living adjustments are required for MaineCare services under 22 M.R.S.A. §3173-J.

Yet for the second year in a row, the COLA has not been fully included in the budget as required under statute. This ongoing omission is not just a budget decision—it is a decision that directly impacts Maine’s most vulnerable citizens, including:

- * older adults,
- * people with physical disabilities,
- * people with intellectual and developmental disabilities, and
- * individuals with behavioral health needs.

COLAs Are Not a Luxury — They Are a Stabilizing Tool

Cost-of-living adjustments are one of the simplest and most essential tools Maine has to ensure direct care services remain viable.

Since being adopted as part of MaineCare Rate Reform in 2022, COLAs have helped providers keep pace with inflation, rising housing costs, and growing labor market pressures. They also help the state maintain the intent of ensuring wage and labor costs remain aligned with the policy target of 125% of the minimum wage for many services.

And these pressures are not limited to hourly wages alone. Over the last two years, our employee health insurance premiums have increased by more than 25%. That means the cost of retaining a stable workforce has risen dramatically — even when employers are doing everything possible to support staff and keep benefits affordable.

The Workforce Reality: Maine’s Minimum Wage Went Up Again

Maine’s minimum wage continues to increase annually, —but MaineCare rates must keep up if we want services to remain available.

This year, Maine’s minimum wage increased 3.07%, from \$14.65 to \$15.10.

If MaineCare direct care service rates do not receive the COLA, providers are effectively forced into an impossible position:

- * wages must rise to compete,
- * but reimbursement does not rise to support it.

That is not sustainable.

Without COLAs, Maine Will Continue to Lose Staff and Services

When wages remain stagnant, it does not only harm workers. It harms the people they support.

Without a COLA restoration in the supplemental budget, we will continue to see:

- * high turnover,
- * unfilled positions,

- * reduced service capacity,
- * longer waitlists, and
- * increased strain on hospitals, emergency departments, schools, and families.

This is exactly the opposite of what Maine's policy goals have aimed to accomplish over the past several years.

COLAs Have Proven They Work

COLAs have been instrumental in helping community-based agencies retain dedicated staff and stabilize services.

Since introduced in 2022—and fully provided in FY23 and FY24—COLAs have been a lifeline for providers and workers statewide.

Last year, thanks to advocacy from providers, workers, people receiving services, and their families, lawmakers took action to restore partial COLAs. That action mattered.

But partial fixes are not enough to stop the continued erosion of an already fragile system.

Request

I respectfully urge the Legislature to restore the COLA (3.1%) in the supplemental budget and ensure MaineCare direct care services remain aligned with statutory requirements and workforce realities.

Maine depends on direct care workers every day. They are essential, skilled, and compassionate professionals. They deserve predictable wage support, and the people they serve deserve stable services.

Thank you for your time, and for your continued work on behalf of Maine people.

Respectfully submitted,

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