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Dear Chairs and Members of the HHS and Appropriations Committees,
The Maine State Legislature is about to make decisions on the Supplemental Budget that affect not only the hardworking individuals who provide critical support to our communities, but also the very fabric of compassion and care that sustains us all. At issue is the restoration of the MaineCare Cost-of-Living Adjustment (COLA) for Direct Care Services.

Cost-of-living adjustments — the mechanism by which wages, taxes, and benefits are able to keep pace with inflation — were established by the 130th Legislature as part of MaineCare Rate Reform. They are required under Maine law (22 M.R.S.A. §3173-J). Yet for the second year in a row, they have not been included in the budget as required.

These programs serve thousands of older adults, people with physical disabilities, people with intellectual and developmental disabilities, individuals with brain injuries, and individuals with behavioral health needs. The stability of these services depends directly on the stability of the workforce.

Why This Matters

1. COLAs are required under Maine law.

Annual cost-of-living adjustments for MaineCare services are required under 22 M.R.S.A. §3173-J. The Legislature created a predictable, transparent system in 2022 to ensure rates kept pace with economic realities. Failing to fund the COLA undermines that statutory framework.

2. In a minimum-wage state, COLAs are not optional.

Maine's minimum wage increases annually. This year alone it rose 3.07%, from \$14.65 to \$15.10. MaineCare service rates were structured to support wages at or near 125% of minimum wage. COLAs are the mechanism that keeps those wage floors intact. Without them, providers are immediately underwater.

In a state facing a direct care workforce shortage, an annual COLA is not a luxury — it is a necessity.

3. COLAs have worked.

Since being introduced in 2022 and fully funded in FY23 and FY24, COLAs have been instrumental in helping community-based agencies retain dedicated staff and stabilize services statewide. They helped agencies:

- Increase wages,
- Reduce turnover,
- Prevent service closures, and
- Maintain access for vulnerable Mainers.

They have been a lifeline.

4. Without restoration, erosion continues.

Last year, thanks to advocacy from providers, workers, people receiving services, and families, lawmakers restored a partial COLA in the budget. That action prevented even deeper destabilization.

Without restoration of the 3.1% COLA in this Supplemental Budget, continued erosion of an already fragile system will accelerate. Providers cannot absorb inflation, mandated wage increases, rising housing costs, insurance premiums, utilities, food, transportation, and growing regulatory compliance expenses without corresponding rate adjustments.

5. Workforce stability equals service stability.

When wages remain stagnant, it is not just workers who suffer — it is the people they support. High turnover and understaffing create:

- Disruptions in care,
- Increased emergency placements,
- Greater reliance on institutional settings,
- And higher long-term costs to the state.

By ensuring that direct support professionals and other direct care workers are

compensated appropriately, the Legislature sends a clear message: we value this workforce and the people who rely on them every day.

The Bottom Line

The COLA is not new spending. It is not an enhancement. It is the statutory mechanism designed to prevent erosion of service capacity in a minimum-wage, inflation-driven economy.

Restoring the 3.1% COLA in the Supplemental Budget is essential to:

- Honor Maine law,
- Preserve workforce stability,
- Prevent service closures, and
- Protect thousands of vulnerable Mainers who depend on community-based care.

I respectfully urge the HHS and Appropriations Committees to restore the COLA and uphold the rate reform framework that was designed to bring predictability and stability to MaineCare services.

Thank you for your leadership and your commitment to Maine's most vulnerable citizens.

Respectfully,
Christine Vincent