

National Alliance on Mental Illness Maine (NAMI Maine)
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Written Testimony – LD 2212

An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for FY2026 and FY2027

Good afternoon Senator Rotundo, Senator Ingwersen, Representative Gattine, Representative Meyer, and honorable members of the Appropriations and Financial Affairs and Health and Human Services Committees.

My name is Jennifer Thompson, and I serve as Executive Director of NAMI Maine. NAMI Maine is the state's largest grassroots mental health organization, representing individuals and families affected by mental illness across Maine. Each year, we engage directly with more than 5,000 Mainers through education, support, and advocacy services that connect individuals and families to care. We work closely with individuals who rely on MaineCare as their primary source of health coverage.

Thank you for the opportunity to submit testimony in support of including funding for a Cost-of-Living Adjustment (COLA) within MaineCare reimbursement rates in the supplemental budget, and for maintaining strong investments in behavioral health and children's mental health services.

MaineCare Is Essential Health Infrastructure

MaineCare covers more than 395,000 Mainers—nearly 30% of the state's population. It provides coverage for children, working adults, older adults, and people with disabilities, including 112,000 Mainers covered under Medicaid expansion. Medicaid is the nation's largest funder of mental health and substance use disorder services, and nearly 40% of non-elderly adults enrolled have a mental health or substance use condition.

In Maine, nearly 270,000 adults live with a mental illness, and more than 25,000 adolescents ages 12–17 experience depression or anxiety. MaineCare plays a critical role in providing access to outpatient mental health services, crisis response, substance use treatment, and children's behavioral health services. For many providers, MaineCare is the primary payer.

Static Reimbursement Undermines Access

Behavioral health providers across Maine continue to face sustained financial pressure driven by rising workforce wages, employee benefits, insurance premiums, compliance costs, technology investments, and general operating expenses. When reimbursement rates remain flat, their real value declines over time.

Without meaningful COLAs, workforce recruitment and retention become more difficult, appointment availability declines, waitlists grow, and service lines contract. Providers

report average outpatient mental health wait times of approximately 32 weeks. More than 260,000 Mainers live in communities without sufficient mental health professionals, and many rural regions remain designated workforce shortage areas.

These constraints are driven by limited system capacity—not reduced demand.

Cost Shifting Is Not Cost Control

When outpatient and community-based care becomes constrained, needs do not disappear. Costs shift into higher-acuity, higher-cost settings such as emergency departments and inpatient hospitalization. Failure to stabilize reimbursement structures does not eliminate costs—it escalates them.

A COLA should therefore be understood as a fiscal stabilization strategy. By supporting provider viability and workforce retention, it helps preserve outpatient capacity and reduces reliance on costly crisis and inpatient services.

Children’s Mental Health and Prevention

Investments in children’s behavioral health services and prevention are critical. Early identification and early intervention reduce long-term system costs by addressing concerns before they escalate, supporting families and schools, reducing emergency department utilization, and preventing inpatient admissions.

Coverage alone does not guarantee access. Reimbursement must support sufficient provider capacity to meet children’s needs in a timely manner.

Conclusion

Including funding for a COLA within MaineCare reimbursement rates in LD 2212 will stabilize essential healthcare infrastructure, support workforce retention, preserve service capacity, protect children’s mental health services, and mitigate long-term fiscal pressure driven by high-cost care settings.

A COLA represents prudent fiscal policy aligned with documented system realities. It stabilizes the behavioral health system, protects vulnerable populations, and supports the efficient use of public funds.

Thank you for your time and consideration.

Respectfully submitted,

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