



**Testimony of Sarah Calder, MaineHealth  
In Support of LD 2208 “An Act to Offset Federal Cuts to Health Insurance  
for Certain Maine Families and Seniors”  
February 26, 2026**

Senator Bailey, Representative Mathieson, and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, my name is Sarah Calder, Senior Government Affairs Director at MaineHealth, and I am here to testify in support of LD 2208 “An Act to Offset Federal Cuts to Health Insurance for Certain Maine Families and Seniors.”

MaineHealth is an integrated non-profit health care system that provides a continuum of health care services to communities throughout Maine and New Hampshire. Every day, our over 24,000 care team members support our vision of “Working Together so Our Communities are the Healthiest in America” by providing a range of services from primary and specialty physician services to a continuum of behavioral health care services, community and tertiary hospital care, home health care, a lab, and retail and specialty pharmacy services.

The legislation before you today recognizes a fundamental reality: H.R. 1 will directly affect the health and stability of our most vulnerable Mainers. While MaineHealth provides care – from primary care to cancer care – to all regardless of their ability to pay, we know that providing access to care is not enough to overcome all of the barriers faced by our uninsured patients.

Based on estimates provided by the Maine Department of Health and Human Services, H.R. 1 will result in the loss of MaineCare coverage for an estimated 34,000 Mainers. And for consumers who purchase their health insurance coverage through the Health Insurance Marketplace, the result of the expiration of Enhanced Premium Tax Credits (EPTC) at the end of 2025 resulted in fewer consumers being eligible for these credits. Thirty-seven percent of the 8,550 consumers who cancelled their Marketplace coverage were consumers who qualified for tax credits in 2025 but did not qualify in 2026 due to federal eligibility changes for premium tax credits and/or an increase in household income.

In addition to impacting the health of our patients, these changes will increase charity care and bad debt for hospitals. For MaineHealth, we estimate that the impact of H.R. 1, alone, will be an annual loss of approximately \$48 million. While MaineHealth is in a stronger financial position than many hospitals throughout the state, our position is still extremely fragile. Of MaineHealth’s five historical PPS hospital sites, only one had a positive average operating margin over the last eight years.

Last year, MaineHealth received the final tranche of COVID-related FEMA relief dollars. If not for those one-time funds, our operating margin last year would have been approximately 0.5 percent. Rating agencies consider 3 percent to be a reasonably healthy operating margin for non-profit hospitals and health systems in order to reinvest in facilities, technology, and workforce.

We are – and have been for several years – operating well below that threshold, and the relief funds we received last year were the last we anticipate receiving.

It is also important to note that while the State was awarded \$190 million as part of the Rural Health Transformation Program, which was included in H.R. 1, it remains unclear if any of those funds will be provided as direct financial relief to hospitals. More importantly, the money awarded to the State will not come close to covering the estimated \$5 billion cost to MaineCare over a 10-year period. LD 2208 recognizes this reality and seeks to protect Maine patients from the destabilizing effects of federal policy changes.

Thank you for your consideration, and I would be happy to answer any questions.