



Maine Health Care Association

**Testimony of Benjamin Hawkins, Director of Public Affairs
Maine Health Care Association**

To the Joint Standing Committee on Health & Human Services

February 7, 2023 at 1:00 pm

In Support of *LD 251, Resolve, To Classify Employee Health Insurance as a Fixed Cost for MaineCare Reimbursement in Nursing Facilities*

Good afternoon Senator Baldacci, Representative Meyer, and distinguished members of the Committee on Health and Human Services. My name is Benjamin Hawkins, and I serve as the Director of Public Affairs of The Maine Health Care Association. We represent approximately 200 nursing homes, assisted living, and residential care facilities (also known as Private Non-Medical Institutions or PNMIs) across the state. Our mission is to empower members to ensure the integrity, quality, and sustainability of long term care in Maine.

I am pleased to testify in support of LD 251 and thank Senator Timberlake for bringing it forward, as well as Senators Keim and Stewart and Representative Morris for their co-sponsorship.

This bill recommends amending the MaineCare Principles of Reimbursement to make health insurance a fixed cost. There are three components to a provider's MaineCare Rate-- fixed, direct and routine. At present, health insurance costs are captured between the direct care

component, which includes expenses associated with nurses, CNAs, etc. and the routine component which covers expenses related to food service, maintenance, and administration. These components are subject to arbitrary caps, which most providers exceed. Making health insurance a fixed cost, like workers' compensation insurance or property taxes, would ensure that providers are entirely reimbursed for this expense.

In our 2022 survey of our members, 96 out of 101 respondents said they provide some form of health insurance for their employees. Over the years, a crucial difference between long term care employers and competing industries has been our ability to offer a health insurance benefit to new employees. That is becoming increasingly difficult; however, as premium costs increase year-over-year. In the same survey, 55% of members said they had to make changes in coverage within the past year because of the expense.

The COVID-19 pandemic has emphasized just how critical access to quality health care is. It also severely disrupted our industry, resulting in a nationwide thirteen-year low of long term care workers in the United States.¹ Moreover, 85% of Maine's surveyed facilities are facing a staffing shortage. Other industries require fewer qualifications and offer higher wages for typically less arduous work. But pay isn't the only determining factor for job seekers when choosing their career. Being known as a profession that respects the need to provide health insurance to employees only helps with recruitment and retention.

¹ Long Term Care Jobs Report: <https://www.ahcancal.org/News-and-Communications/Fact-Sheets/FactSheets/LTC-Jobs-Report-Jan2023.pdf>. Accessed February 4, 2023.

This bill's concept originates from the 2013 Long Term Care Study Commission to analyze the long term care system and prevent facility closures. While some of the commission's recommendations were implemented, making health insurance a fixed cost has yet to be done. In addition, a subsequent long term care study in 2019 continued to emphasize the importance of insurance for employee recruitment and retention.

This committee has historically supported this initiative, but it never seems to make it off the Appropriations table. I hope you support this again and send a clear message that health is a priority for Maine's hardworking health care workers. Thank you for your time, and I urge you to support LD 251.