



Testimony of Wanda Pelkey, Board Chair of Maine Health Care Association and CFO of First Atlantic HealthCare

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 Wanda Pelkey, and I serve as the board chair of the Maine Health Care Association and CFO of First Atlantic HealthCare. My company represents 23 nursing and residential care facilities and at full capacity care for roughly 2,000 residents and employ similar number of workers across Maine: Saco, Portland, Freeport, Falmouth, Skowhegan, Lewiston, Dexter, Dover-Foxcroft, Bangor, Ellsworth, Machias, Lincoln, Millinocket, Calais, Houlton, Waterville and Madawaska. **I fully support LD 251** and sincerely thank Senator's Timberlake, Keim and Stewart and Representative Morris for their co-sponsorship.

This bill would require Mainecare always pay for it's fair share of health insurance costs. Why is this a good thing? **Because guaranteed funding will enable homes to offer better coverage choices and lower employee out of pocket costs, thereby helping our homes attract and retain healthcare workers.**

Here's our company's situation. Our current insurance annual premiums cost \$8,500 for single and \$25,000 for family coverage of which our company pays roughly 75%. Beyond their 25% cost-share, our workers also face high deductibles and coinsurances which can easily hit \$8,000 with moderate use. In short, it's expensive. These premiums increased 30% at our last annual renewal, when two awful quotes left no good options. We couldn't reduce our plan coverages and be compliant with the ACA coverage minimums. Additionally, passing along the premium increase to workers would have violated ACA "affordability" law. So, for our worker's sake, our company is bearing this increase, straining already tight company cash flows.

Would this bill completely solve this problem? No, but as today's Mainecare regular rates aren't funding this increase, having Mainecare pay its ratable share is a terrific start. It would help facilities weather mandated yet uncontrollable cost increases and help companies like ours afford better coverage and lower costs to our employees. Further, the FMAP would fund most of the cost, leveraging federal support.

Said simply - this bill promotes better health care coverage for health care workers. And that's a very good thing. Thank you for your time and I urge you to support LD 251.

LD 251 Benefits:

- Requires Mainecare pay its fair share of health insurance costs
- Promotes better health care benefits for healthcare workers
- Mitigates uncontrollable and unpredictable cost increases to employees and employers
- Maximizes federal funding dollars
- Better coverage reduces hospital and physician bad debts from underinsured families
- Recommended by 2013 Long Term Care Study Commission