



February 22, 2023

The Honorable Margaret Rotundo
The Honorable Melanie Sachs
Co-Chairs, Joint Standing Committee on Appropriations and Financial Affairs
c/o Office of Fiscal and Program Review
5 State House Station
Augusta, ME 04333

Dear Senator Rotundo, Representative Sachs, and Committee Members:

Thank you for allowing me the opportunity to address the Appropriations Committee today and provide brief testimony in favor of the Governor's Biennial Budget, LD 258. My name is Sharon Fusco and as of December 5, 2022, I am the Chief Executive Officer for Maine Veterans' Homes. While I am new to Maine, I bring extensive professional experience managing both businesses and nonprofits. I have spent more than 15 years providing home community-based services to older adults. And, I bring the personal experience being the wife of a 26-year Air Force Veteran.

For those who do not know, Maine Veterans' Homes provides assisted living (residential care), long term care, short term skilled nursing care, rehabilitation and therapy, dementia and memory care, and respite care in six homes across the state. Last year, we provided services to 691 veterans and 169 family members. We are recognized as a national leader among all 50 states' veterans homes. We provide unparalleled quality as evidenced by three gold stars and one silver star Baldrige awards, the 2023 Pinnacle Customer Experience Award in all six homes, and two 2023 American College of Home Administrator Eli Pick Award nominees.

On behalf of the veterans and family members we serve, our Board of Trustees, and our dedicated employees, I would like to express my gratitude to Governor Mills and Commissioner Lambrew for including Maine Veterans' Homes in the Biennial Budget (Line 0148, Nursing Facilities, page A – 381). This funding comes at a critical time in our history and is vital for the long-term sustainability of the Homes. Across the nation and in Maine, nursing homes are closing at an alarming rate because reimbursement rates simply fail to keep pace with exponentially escalating costs. This has been an ongoing problem for many years that has been worsened and escalated since the pandemic.

Maine Veterans' Homes is not immune to these problems. In fact, our situation is even more tenuous as our state veteran home status means higher and more costly VA and state requirements. In 2022, BerryDunn estimated that Maine Veterans' Homes faces a yearly gap of \$15.8MM between reimbursements and costs. Through proposed leveraging of current VA funding, we are able to shrink that gap to \$10.3MM.

The current proposed funding in the budget is \$765,630 a year which, when matched by federal dollars, will provide a combined total of \$2.4MM of operating revenue. While this financial support is a significant step forward towards closing the sizable \$10.3MM gap, the gap and the Homes' need still remains.

Because of this, the Maine Veterans' Homes respectfully requests that this Committee appropriate an additional **\$2,645,927 yearly**. Combined with the already proposed \$765,630, this new state total of \$3,411,557 will trigger another \$6,968,425 in federal matching funds bringing the total yearly state and federal amount to \$10.3MM. This will close the gap and allow Maine Veterans' Homes to continue providing award winning care in its six Homes across the state.

Simply put, this additional financial support we seek from the state is absolutely critical. Failure to address this gap will result in dismantling a system of care that is unparalleled nationally and relied upon by Maine's veterans and their families.

While the need exists to request additional funding, I want the committee to know that Maine Veterans' Homes currently saves the state an estimated \$12.3MM annually by keeping otherwise qualifying MaineCare residents off MaineCare. Last year, 23% of residents met the VA's 70% disability threshold which qualified them for benefits and reimbursement directly from the VA. By avoiding MaineCare, these residents save Maine more than \$12MM annually.

As the new CEO, a newcomer to Maine, and the wife of a veteran, I am grateful to Governor Mills and Commissioner Lambrew acting on their pledge to ensure Maine's veterans have access to the highest quality care possible.

There is no doubt: Maine leads the way for other states to follow and offers an amazing system of care. I look forward to continuing this tradition and taking MVH to the next level of success. Doing so while meeting the desires of the State and its constituents will require funding the homes at a sustainable level. I am eager to work with the State to save this system of care so Maine can continue to proudly say, "We serve those who served."