



Caribou Nursing Home, Inc.

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dba's of Caribou and Presque Isle Rehab and Nursing Centers

Testimony of Phil Cyr, President of Caribou Nursing Home, Inc., which operates the Caribou and Presque Isle Rehab and Nursing Centers

To the Joint Standing Committee on Health & Human Services

May 10, 2023 at 10 00 AM

In Favor of LD 1827, An Act to Prevent Closures and Ensure Sustainability of Nursing Facilities, Private Nonmedical Institutions and Residential Care Facilities by Removing So-called Budget Neutrality

Good morning, Senator Baldacci, Representative Meyer, and distinguished members of the Committee on Health and Human Services My name is Phil Cyr and I am the President of Caribou Nursing Home, Inc , which this week celebrates the 50th anniversary of our first Admission, done on May 8, 1973

Imagine if the Department of Education required one town to close its school forever so that another town could have a new one Would the people of Maine support that type of policy? That is what the Maine DHHS Budget Neutrality policy does for Maine's Long Term Care (LTC) facilities, namely Nursing Facilities (NF), Private Non-Medical Institutions (PNMI) and Residential Care Facilities (RCF)

When this policy began in approximately 1994, its reason was to provide an incentive for moving forward with the PNMI program PNMI cost to the state is less than similar care in a Nursing facility

At the same time, state policy changed medical qualifications for nursing facility care to twice as hard as before the changed standards For the number of elderly needing LTC at that time, and with PNMI beds replacing NF beds, supply and demand remained mostly in balance Looking back, the neutrality policy did its work NF beds were closed to fund PNMI beds

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"Our Service Says We Care"

However today, we see unintended consequences

Budget Neutrality requires the cost to MaineCare not increase due to the replacement, major renovation or sale of existing facilities. In 2023, if a replacement facility is to be built, its cost will be approximately double what it cost to build the aged facility it is replacing. Therefore it will likely have only half as many beds as its older predecessor. Either that or an operating facility in another area of the state will shut down, and relocate its residents in order to meet budget neutrality to fund the new facility. Budget neutrality is also required when a retiring owner looks to change ownership. In that situation, the policy reduces the number of beds even if they are full. Budget neutrality isn't the only reason that nursing homes have closed but it's one of the reasons, and this policy is 30 years from its original founding. Unintended consequences are never the desired outcome of public health policy. By leaving a legacy rule in place that leaves a lack of access to skilled nursing care, at a time when hospitals are filling up with LTC patients, is a policy that is bad for MaineCare beneficiaries, bad for hospitals, and bad for communities who lose beds, jobs, and property taxes when their local LTC facility closes. I urge you to pass LD 1827. Thank you for the work you do to enhance the availability of LTC services for Maine's elderly.

A handwritten signature in black ink, appearing to be "Phil" followed by a stylized flourish.