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THE MAINE SENATE  
131st Legislature

**Testimony of Senator Richard A. Bennett**

LD 2082, An Act to Ensure the Financial Stability of Behavioral Health Services Providers and Housing Assistance Providers.

January 24, 2024

Senator Baldacci, Representative Meyer and Members of the Joint Standing Committee on Health and Human Services, I am Senator Rick Bennett of Oxford, and I have the honor of serving 14 communities in Western Maine in the State Senate. I am pleased to speak in support of LD 2082, “An Act to Ensure the Financial Stability of Behavioral Health Services Providers and Housing Assistance Providers.”

To be quite honest with you, I shouldn't have to be here today, and you shouldn't have to be voting on this bill. Quite simply, this bill requires the Department of Health and Human Services to pay administrative expenses and interest charged on lines of credit or loans accessed by behavioral health services providers and housing assistance providers when a delay in department contract awards, finalization or payments requires the provider to access a line of credit or a loan.

It only make sense that if the DHHS - for whatever reason - is not able to complete a contract and/or make payments on time and a provider must use their line of credit to pay bills – for example employee salaries, capital costs, outside vendors - that the DHHS pick up the tab for the interest on those loans.

This is definitely a problem. You will hear from several providers today that they have been in this exact situation of having to get a loan or line of credit to immediate costs, costing their agencies (in the aggregate) upwards of \$1 million dollars over the last five years in interest payments alone. This committee knows better than I that mental health agencies and providers of specialized housing are living very close to the edge and don't have money of their own to float unpaid contracts and bills nor do they have extra cash budgeted for the cost of lines of credit.

One relatively small agency has had over \$50,000 dollars in interest in the last few years. That is \$50,000 that is not going to direct services, but to pay interest to a financial institution.

I want to be clear that I understand that sometimes delays in payments or contracts are unavoidable. This bill is not to cast blame or aspersions on the Department, it is merely to ensure that normal business practices are used so that we are not inadvertently taking money away from direct service dollars and putting additional financial strain on agencies and services that are already underfunded. In fact, if you hear that this is not much of a problem, a) – the organizations who asked me to put this bill in will dispute that and b) if it is not a problem then I would ask that you pass it anyway because it will simply be there when and if the situation arises. Most importantly, this bill is common sense and common business practice.

Please vote “ought to pass” on LD 2082. Thank you and I'd be happy to answer any questions.