



Northern Light
Health

LD 2214 An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2024 and June 30, 2025

**Testimony in Support
February 26, 2024**

Senator Rotundo , Representative Sachs and members of the Appropriations and Financial Affairs Committee, Senator Baldacci, Representative Meyer and members of the Health and Human Services Committee my name is Lisa Harvey-McPherson, RN. I am here today providing testimony on behalf of Northern Light Health and our member organizations, and I am speaking in support of this bill. Northern Light Health member organizations include 10 hospitals located in southern, central, eastern, and northern Maine, eight nursing facilities, air and ground medical transport, behavioral health, addiction treatment, pharmacy, primary and specialty care practices, and a state-wide home care and hospice program. Ninety three percent of Maine's population lives in the Northern Light Health service area. Northern Light Health is also proud to be one of Maine's largest employers with more than 12,000 employees statewide.

I want to begin with an update on Northern Light Health, we have good news to share. Our 2023 annual report highlights how Northern Light Health is fulfilling our commitment to care for communities throughout the State of Maine. The report shares stories of our staff -

- Distributing Narcan at community fairs and community health outreach coordinators training individuals to administer Narcan
- Providing home telemonitoring services to hundreds of patients every day recording clinical information and providing early intervention to support individuals to remain at home
- Working partnership with community organizations to create the Francis Warde Home providing shelter, healthcare and educational opportunities for immigrant women and babies
- Implementing changes to reduce our greenhouse gas emissions to create a healthier environment
- Partnering with Eastern Maine Community College to allow nursing students to complete the nursing education program in small rural community hospitals

These are just a few of the stories in the annual report. I encourage you to read the full report online <https://northernlighthealth.org/>

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Northern Light Health
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Beacon Health
Blue Hill Hospital
C.A. Dean Hospital
Eastern Maine Medical Center
Home Care & Hospice
Inland Hospital
Maine Coast Hospital
Mayo Hospital
Mercy Hospital
Northern Light Health Foundation
Northern Light Laboratory
Northern Light Pharmacy
Sebasticook Valley Hospital

We make these critically important investments in the future of health care in Maine as we work to resolve significant financial challenges remaining from the COVID-19 pandemic. The pandemic permanently reset the cost structure of health care in Maine and nationally. Costs for supplies, pharmaceuticals and labor are higher than the pre-pandemic period and will not return to a pre-COVID baseline. For fiscal year 2022 Northern Light Health had an operating loss of \$131.7 million dollars, for fiscal year 2023 we reduced our annual operating loss to \$36.1 million dollars. As a health system we continue to work closely with our clinical and operational leaders statewide to implement a recovery plan that restores a solid financial foundation for the future.

Hospitals are challenged by government payments that traditionally reimburse at rates lower than the cost of care. In fiscal year 2023 MaineCare reimbursement was \$104 million dollars less than the costs to provide care, for Medicare the underpayment totaled \$205 million dollars. Given this challenge we support the budget proposals to increase MaineCare reimbursement for hospital inpatient and outpatient services. The proposal has a number of moving parts including the hospital tax, matching funds and rate adjustments. As a health system the overall impact to Northern Light is positive, thus our support.

Last week Kaufman Hall, a national healthcare consulting company, published a blog on hospital financial recovery post pandemic, they note a key positive performance indicator includes hospitals that promptly discharge patients to the appropriate setting. Hospitals with long lengths of stay do not perform as well. Unfortunately, long stay patients unable to discharge to the services they need is a day to day experience for hospitals in Maine.

Two patient populations continue to experience significant challenges accessing the right level of care. We have testified about the challenge of children with behavioral health needs living in our emergency departments for very long periods of time and older adults living in hospital acute care beds as they wait for discharge to a nursing facility. Both of these patient populations often wait weeks and months, some many months, to access the community based care they need.

Continued closure of nursing home beds and conversion to residential level of care is a statewide crisis. In Hancock County, there will soon be no nursing home beds at all, in other regions facilities continue to lack the financial resources they need to fully staff and open vacant beds to admissions. Today is the third year that I come before you to describe the challenge of nursing home patients living in Northern Light Health acute care beds. The final quarter of 2023 looks similar to any other point in time. During this 90 day period we had 51 patients in our hospitals waiting 30 to 437 days to discharge to a nursing home bed. This created 4,410 excess hospital days for this patient population. By any measure this is not good for those in need of discharge, patients waiting to access an inpatient bed nor the overall cost of care. Continued closure of nursing facility beds cannot be the outcome once the legislative session ends. We ask that you work with the nursing home leaders to understand the MaineCare structural deficit and provide funding to finally stabilize this level of care.

Sadly, I also share with you once again the challenge of children with behavioral health needs living in hospital emergency departments. The expanded inpatient pediatric wing that opened in January at Northern Light Acadia Hospital will help to decompress the emergency

departments statewide, but it is not a fix-all solution. Children with the longest length of stay need secure psychiatric residential treatment, and these children will be in the emergency department for weeks and months waiting to access secure psychiatric residential treatment at a facility out of state. 100% of children needing this level of care are discharged to out of state facilities. Despite lengthy discussion with the Health and Human Services Committee and passing legislation (LD 181 Resolve, Requiring Progress Reports from the Department of Health and Human Services Regarding the Implementation of Secure Children's Psychiatric Residential Treatment Facility Services) this level of care still does not exist in Maine. For calendar year 2023 our emergency departments cared for 122 long stay behavioral health children. There is great urgency to finally address the crisis of children living in emergency departments. No child should live in the emergency department and the moral distress to our staff is very real. We ask for your support to ensure that the Department of Health and Human Services establishes a children's psychiatric residential facility this calendar year.

Thank you for the opportunity to share our comments on the Governor's biennial budget proposals impacting health care and hospitals.