SKILLS

Support Services For People With Disabilities

Testimony of Kristin Overton, Chesterville ME

Executive Director of SKILLS, Inc.

In Support of Section 2 of LD 2243

Resolve, Directing the Department of Health and Human Services to Amend MaineCare Rules Governing Certain Types of Behavioral and Mental Health Services and to Form a Stakeholder Group to Study Methods for Improving Those Services

Joint Standing Committee on Health and Human Services

March 7, 2024

Good afternoon, Senator Baldacci, Representative Meyer and esteemed members of the Health and Human Services Committee. Thank you for the opportunity to share testimony in support of Section 2 of LD 2243 and to beg the committee to consider the dire reimbursement situation that Section 97 Appendix F Providers are in.

My name is Kristin Overton and I am the Executive Director of SKILLS, Inc. SKILLS is a non-profit organization in central Maine, serving people with intellectual and developmental disabilities for more than 60 years. SKILLS provides more than 110 people with 24/7 residential support and community, in-home, and employment supports under Sections 21, 29, and 97-F. We have 9 waiver-funded group homes and support 30 individuals in 4 Private Non-Medical Institutions located in Shawmut, St. Albans, Pittsfield, and Waterville. SKILLS has the most PNMI Appendix F homes in the State of Maine at this time.

The PNMI-F Reimbursement Model is insufficient to cover our costs as a provider of these service. Our greatest hope is not even to make a profit but to just break-even; however, this is not the case year after year. We have considered closing our PNMIs many times, however, the 30 people who live there are not on Section 21 with housing services and we're not willing to force them from their homes yet. Around us, many providers are closing their PNMIs and converting them to Section 21 group homes, making placement for the people living at our locations with even fewer options for supported housing if we were to close. In 2018, there were 31 providers, now there are 24 remaining with at least one of these closing before the end of the year.

The reimbursement premise is that we are paid a daily rate based on estimated costs for each facility and at year-end the cost settlement process either requires us to pay back the funds not spent or pays us for the actual costs. This is far from what occurs. Between 2019 and 2023, we have subsidized these 4 PNMIs out of pocket by $319,345 for which the State will not reimburse us due to what they consider unallowable costs or costs that exceed the "routine costs" and "administrative cost" caps in the daily rate. These caps are not sufficient to cover costs. The administrative cap for a 6-bed home is $27,053 and ***has not increased*** since sometime before 2005 which is as far back as our cost records go. The administrative cap is supposed to capture all agency and administration costs – including salaries and benefits for any administrative staff, including DSP supervisors, the required administrator, program leadership, and all other indirect costs associated with running an agency.

SKILLS

Support Services For People With Disabilities

Although we've lost $319,345 over 5 years, due to the cost settlement process we have returned to the state a total of $579,274 for those same years. We are required to submit our payment by November 30th of each year. Those same reports project that the State owes us $170,656 as far back as 2019 because the auditing department is 5 years behind in confirming our numbers. We just got an information request on Monday asking us to provide an insurance quote from 2018 to show that our low premium, high deductible health insurance plan and our HSA contributions plan is more cost effective than a higher premium non-HSA plan with a lower deductible. We are self-insured and have been for more than 10 years. So that the 2019 audit may be finalized and our estimated reimbursement of $21,000 sent, our staff is searching records to find a health insurance quote that may not exist which is this detailed from pre-pandemic 6 years ago.

We have advocated to be included in the Rate Determination schedule and were originally scheduled to be included in 2023. By the end of 2023, there was no rate study underway and we learned in late 2023 that the rate study and determination would not include PNMI-F in 2024 either. The only explanation we received is that the State needs to first examine and revise the service descriptions which they termed "a large project in itself." There is no known time frame for when this service will undergo a rate study.

While Appendix-C has seen rate reform and additional provider payments, we are desperately in need of relief and support in Appendix F which is why we strongly support Section 2 of this bill. Maintaining $170,000 in accounts receivable when we've already paid over a half million dollars and lost more than a quarter million should be unacceptable to everyone. Section 2 would require that the majority of funds owed to providers by the Division of Audit are received shortly after we've submitted our reports. I don't understand why our estimated payback is sufficient for the State to collect 100% of what they are owed, but they cannot provide us with any amount of payment owed to us for over 5 years off of the same estimate.

Section 4 of this bill outlines that changes to MaineCare rule from this bill be repealed following a rate determination for Section 97 Appendix E and Appendix F. I encourage the committee to amend Section 4 to not repeal Section 2 as timeliness of payments will always be needed.

Thank you for your consideration. I would be happy to answer any questions you may have.

Respectfully Submitted,

Kristin Overton, koverton@skillsinc.net