



Maine Hospital Association

MAINE'S LEADING
VOICE FOR HEALTHCARE

TESTIMONY OF THE MAINE HOSPITAL ASSOCIATION

Proposed SFY 2025 Supplemental Budget

January 23, 2025

Senators Rotundo and Ingweresen, Representatives Gattine and Meyer, and members of the Appropriations and Health & Human Services Committees, my name is Jeffrey Austin and I am here on behalf of the Maine Hospital Association.

I am here today to express our support for the portion of the supplemental budget that provides funding for the MaineCare program.

Maine's acute care and psychiatric hospitals are nonprofit, community-governed organizations. Maine is one of only a handful of states in which all of its acute care hospitals are nonprofit.

Background. Hospitals are again facing financial hardship. In my fourteen years of representing hospitals in Maine, this is easily the scariest I've ever seen it from a financial standpoint.

The forces that are at play that are causing these challenges are bigger than anything the Maine Legislature can tackle. In essence, there are significant changes coming and there is not much the Legislature can do to prevent or really even alter these changes.

Nevertheless, you could make things worse, and we are hoping you won't.

Budget. The Governor's Supplemental Budget commits to funding the state's obligations under the MaineCare program for the balance of SFY 2025. We appreciate that. Our members are treating Medicaid patients today. The state won't be billed for those services and won't pay for those services for a few weeks or months. It would not be fair to hospitals and other providers to leave the state short of funds it will need a few months from now to pay for care being provided today. It seems to us that it is simply too late in the fiscal year to make programmatic changes.

We also understand that many structural changes are proposed in the biennial budget, about which we have significant concerns. We are happy to discuss those provisions in the course of your review of the biennial. But for now, we support the portion of the supplemental budget that provides funding for the Medicaid budget and urge your swift adoption. Thank you.