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Alliance for Addiction and Mental Health Services, Maine *The unified voice for Maine's community behavioral health providers*

Testimony Regarding *The Governor's Biennial Budget – LD 210*

February 12th, 2025

Good afternoon, Senator Rotundo, Senator Ingwersen, Representative Gattine, and Representative Meyer, and esteemed members of both the Committees on Appropriations and Financial Affairs and Health and Human Services. My name is Adam Bloom-Paicopolos. I am a resident of Wells and am proud to serve as the Executive Director of the Alliance for Addiction and Mental Health Services, Maine (the Alliance). The Alliance is the statewide association representing Maine's community-based behavioral health agencies who provide much-needed services to over 80,000 children, adults, and families annually. The Alliance advocates for the implementation of sound policies and evidence-based practices that serve to enhance the quality and effectiveness of our behavioral health care system.

On behalf of the Alliance, I am here today to speak against Language Part "UU" of the Governor's Proposed Biennial Budget, LD 210, which makes significant and worrisome changes to the state's nationally recognized rate reform system.

While the Alliance supports some pieces of this budget proposal, including the \$122 million each year to continue stabilizing MaineCare funding and certain areas in behavioral health we look forward to speaking to in hearings later this week— we are deeply concerned over the suspension of cost-of-living adjustments (COLAs) for fiscal years 2026 and 2027 despite state statute requiring them. Language Part "UU" also makes other changes to our rate reform system that will destabilize an already fragile healthcare system and introduce uncertainty for behavioral health providers and essential care workers.

After two years of successful COLA applications, a core piece of the Department's rate reform system supported by the current Administration, the Legislature, and countless stakeholders, this decision came as a shock to the MaineCare provider community. **Further, the Administration's recent Settlement Agreement with the U.S. Department of Justice to improve our children's behavioral health system explicitly required annual COLAs for community behavioral health providers in line with state law as one of the agreement's pillars.**¹ Just three days after this historic settlement agreement announcement inclusive of COLAs, the Department issued their notice to providers that it would in fact not be issuing COLAs.

Behavioral health providers rely on these COLAs during years between rate determination cycles to give wage increases for essential care and support workers and ensure that services are maintained. After going years with no rate changes, COLAs, alongside the rest of our rate reform system, finally enabled MaineCare reimbursement rates to begin catching up. At a time when our state is continuing to experience a direct care workforce shortage, both in behavioral health and across

other services, these COLAs are invaluable to providers. Now that progress and consistency has started to be seen, we cannot afford to reintroduce uncertainty to MaineCare and to walk back the commitments in statute made to our essential care workforce, and to the children, adults, and families behavioral health and other MaineCare providers serve.

The Alliance respectfully urges the committees to reinstate the \$132 million in funding for MaineCare COLAs across fiscal years 2026 and 2027 and to not accept the changes made to our state's rate reform statute in Language Part "UU" – maintaining this Legislature's bipartisan commitment to supporting our state's behavioral healthcare system and our essential care workforce.

I would be happy to answer any questions from the Committees. Thank you for the opportunity to provide testimony this afternoon.

Respectfully,



Adam Bloom-Paicopolos, MPP
Executive Director

¹ U.S. Department of Justice. Settlement Agreement Between the United States of America and the State of Maine. December 2024.