

**Testimony of Michael Tyler, Managing Partner  
Sandy Company**

Testimony before the Committee on Appropriations and Financial Affairs and the Committee on Health  
and Human Services in opposition of

***LD 210, An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds  
for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the  
Proper Operations of State Government for the  
Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027***

Public Hearing: Friday, February 14, 2025 at 10:00 AM

Senators Rotundo and Ingwersen, Representatives Gattine and Meyer, as well as Distinguished Members of the Committee on Appropriations and Financial Affairs and the Committee on Health and Human Services:

My name is Michael Tyler, and I am the Managing Partner of the Sandy River Company, Chairman of the Board of Maine Health Care Association and Member of State Workforce Board. I have been involved with operations and development of Long-Term Care facilities in Maine for over 40 years. I am the owner, operator, developer or consultant associated with over 30 facilities in the State of Maine. I am testifying in opposition to the proposed Biennial Budget for what it doesn't include and what it seeks to eliminate for long-term care facilities, which will further destabilize Maine's fragile Long-term care system and will likely lead to further facility closures.

**The services provided by Maine's Long-Term facilities are Essential Services, just as public safety and Law enforcement. Our Facility can't reduce the hours of service or the days we are open.**

**The Budget does not include Cost of Living Adjustments for Long Term Care Facilities.** Without ongoing Cost of living adjustments, it will be impossible for facilities to remain competitive and hire and retain staff. A major assumption of the new Nursing Facility payment system, which went into effective 1/1/25, is the reduction and ultimate elimination of Agency/Traveler staff. This will be impossible to accomplish without ongoing cost of living adjustments.

**The Division of Licensing and Certification provisionally adopted new rules that will affect all residential care in Maine.** Last month, the Division of Licensing and Certification provisionally adopted rules that will create a huge unfunded mandate for Maine's assisted living and residential care homes by significantly increasing staffing requirements and adding other regulatory burdens, with no increased funding at a time when the State Budget is extremely tight.

**The Budget further proposes to make the requirement that MaineCare rates cover at least 125% of minimum wage for direct care workers optional and subject to sufficient appropriations and also eliminates the two-year rebasing requirement.**

Labor costs continue to rise year over year, and our sector has unique challenges of mandatory staffing requirements. Our centers end up having to rely on extremely costly contract agency labor whose rates are 3-4 times the average pay for CNAs, LPNs, and RNs. We encourage the joint standing committees to figure out a way to sustain the investments needed to keep caregivers employed and long-term care facilities open.

Thank you for the opportunity to comment, and I would be happy to answer any questions now or at your work session.