

Testimony of Commissioner Sara Gagné-Holmes, Department of Health and Human Services

Before the Joint Standing Committee on Appropriations and Financial Affairs and  
The Joint Standing Committee on Health Coverage, Insurance and Financial Services

*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*

Hearing Date: February 26, 2025, 11:00am

Senator Rotundo, Representative Gattine, Senator Bailey, Representative Mathieson, Members of the Joint Standing Committee on Appropriations and Financial Affairs and Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services; my name is Sara Gagné-Holmes, Commissioner of the Department of Health and Human Services (DHHS). I am here today to speak in support of LD 210, the Governor's budget proposal for the 2026-2027 biennium.

### **Overall Budget**

Maine – like many states, both blue and red – is facing a tight budget environment. The Mills Administration has spent months carefully developing a balanced budget proposal to preserve the programs lawmakers and Maine people support, including education, revenue sharing, public safety, higher education, and school meals, while also protecting the long-term fiscal health of Maine.

Ultimately, we took a balanced approach: one that makes some investments - including operational needs such as technology efficiencies, health and safety improvements, collective bargaining impacts, etc. - that proposes some spending cuts, and that makes some targeted revenue increases. We know these proposals are difficult and appreciate that you will consider them with an open mind.

We look forward to working with you over the coming months to enact a budget that supports our greatest asset of all: the people of Maine.

### **Highlights from Department of Health and Human Services**

The Maine Department of Health and Human Services (DHHS) is dedicated to promoting health, safety, resilience, and opportunity for Maine people. The Department provides health and social services to almost a third of the State's population, including children, families, older Mainers,

and individuals with disabilities, mental illness, and substance use disorders. My executive leadership team and I understand the importance of these services to the health and wellbeing of not only the Maine people accessing these services but their families as well.

Last month, nearly 65,000 Maine people signed up for affordable health coverage for 2025 through [CoverME.gov](https://CoverME.gov), Maine's health insurance marketplace, during the fourth annual open enrollment period that concluded on January 15, 2025. Maine's marketplace contributed to the more than 24.2 million people who signed up through Affordable Care Act marketplaces nationwide. Maine is one of 19 states plus Washington, D.C. that fully run their own Health Insurance Marketplaces, with the Federal government running the rest through [HealthCare.gov](https://HealthCare.gov).

Of the 64,678 Maine consumers who selected a health plan, 11,285 were new consumers who didn't previously have insurance through the marketplace. This breaks Maine's prior record for new consumers turning to CoverME.gov for insurance since it transitioned to a state-based marketplace in 2021.

I will also highlight that Maine's Office of Health Insurance Marketplace (OHIM) is the nation's smallest office, with only nine current state line employees.

### **Departmental Biennial Initiatives**

A couple of housekeeping notes before we begin: For the initiatives that we'll cover during this session, I included the traditional budget language that directly aligns to what you see in the Governor's printed budget. This language is italicized. However, my oral testimony today will summarize each initiative so that it's easier to understand while not losing any detail or meaning. Thus, my testimony today is 3 pages, but I won't be reading it all.

### **Maine Health Insurance Marketplace Trust Fund**

This program is on page **A-346** is **Maine Health Insurance Marketplace Trust Fund – Z292**. The Maine Health Insurance Marketplace Trust Fund program supports Maine consumers in purchasing individual health insurance by providing marketing and outreach, individual assistance, and a platform for shopping and enrollment. Funding for this program is derived from a user fee charged on insurance companies offering plans on the Marketplace. This program has 3 initiatives.

1. The first initiative (C-A-2602) on page **A-346** establishes one Public Service Coordinator II position in the Maine Health Insurance Marketplace Trust Fund program to serve as the data and reporting manager. This position is necessary for federal and state reporting requirements and to conduct analysis of enrollment trends and platform usage. This role would monitor and maintain the CoverME.gov data warehouse, create and maintain reports, and lead the reporting compliance activities for OHIM.

*The first initiative (C-A-2602) on page A-346 establishes one Public Service Coordinator II position in the Maine Health Insurance Marketplace Trust Fund program to serve as the data and reporting manager and provides funding for related All Other costs. This initiative increases Other Special Revenue Funds Personal Services allocation by \$135,681 in state fiscal year 2026 and \$142,254 in state fiscal year 2027 and All Other allocation by \$10,598 in state fiscal year 2026 and \$10,752 in state fiscal year 2027.*

2. The next initiative (C-A-2606) on page A-346 is administrative in nature and provides allocation to align with available resources. This initiative increases allotment so that OHIM can pay invoices timely.

*The next initiative (C-A-2606) on page A-346 provides allocation to align with available resources. This initiative increases Other Special Revenue Funds All Other allocation by \$4,077,244 in state fiscal year 2026 and \$4,026,623 in state fiscal year 2027.*

3. The next initiative (C-A-2604) on page A-346 establishes one Senior Planner position in the Maine Health Insurance Marketplace Trust Fund program to serve as the program specialist. The Marketplace is required by the Centers for Medicare and Medicaid Services (CMS) to conduct various annual audits, such as the financial and programmatic SMART Audit. The position would be the point person to provide day-to-day oversight and project management for this annual audit, and others, as well as providing research and contract support for the office.

*The next initiative (C-A-2604) on page A-346 establishes one Senior Planner position in the Maine Health Insurance Marketplace Trust Fund program to serve as the program specialist and provides funding for related All Other costs. This initiative increases Other Special Revenue Funds Personal Services allocation by \$106,169 in state fiscal year 2026 and \$111,186 in state fiscal year 2027 and All Other allocation by \$9,907 in state fiscal year 2026 and \$10,025 in state fiscal year 2027.*