



**PINE TREE RECOVERY CENTER**

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To Whom It May Concern,

First and foremost, I want to express my sincere gratitude to the current administration and the Maine Legislature for the significant progress made over the past six years in increasing access to substance use treatment and improving care for individuals struggling with addiction. The investments and policy efforts to expand services have been essential in addressing Maine's addiction crisis, and I appreciate the continued commitment to ensuring individuals receive the care they need.

However, despite these advancements, a critical gap remains in the reimbursement rates for medical withdrawal services under MaineCare. As the former Executive Director of Pine Tree Recovery, a detox center in Portland, Maine, and someone with firsthand knowledge of The Plymouth House in New Hampshire, I have seen the stark disparity in Medicaid reimbursement between Maine and our neighboring state, as well as the gap between MaineCare and commercial insurance payers.

### **The Current Disparity in Reimbursement**

- MaineCare currently reimburses detox services at \$403.70 per day, significantly lower than New Hampshire Medicaid's \$594 per day rate.
- In 2022, New Hampshire recognized the need to support providers and increased its Medicaid detox rate from \$350.87 to \$577.07, bringing it closer in line with the cost of care.
- In contrast, commercial insurance in Maine and New Hampshire reimburses detox providers between \$775 and \$1,120 per day, according to the Transparency in Coverage Rule.

### **The Financial Realities for Providers**

- In 2024, the actual cost for Pine Tree Recovery to service each detox bed per day was \$705.08, creating an unsustainable financial gap.
- We paid \$42.23 per hour for nurses in Maine, compared to \$38.76 in New Hampshire, driven by labor market conditions.
- Due to extreme staffing shortages, we incurred an additional \$154,380 in RN staffing agency fees, making it even more difficult to sustain operations.
- Our Recovery Support staff costs were identical in both states, yet Maine's Medicaid rate falls far behind.

## **Why Pine Tree Recovery Has Been Able to Sustain Services**

One of the reasons Pine Tree Recovery has been able to continue providing detox services to MaineCare members at the current reimbursement rate is because we operate a large outpatient program that has subsidized these losses. Our outpatient services have offset the financial shortfalls in detox, allowing us to continue offering this critical level of care.

However, not all detox facilities have an outpatient program to absorb these losses, meaning most stand-alone detox centers would not be financially viable under MaineCare's current reimbursement structure. Detox facilities should be adequately reimbursed for the level of service they provide, without needing to rely on external revenue sources to remain operational.

## **The Consequences of Inadequate Reimbursement**

- **Unsustainable Operations:** Facilities that do not have outpatient programs to offset detox losses may not survive, leaving fewer detox providers available for MaineCare members.
- **Reduced Access to Treatment:** Without an increase in reimbursement rates, detox centers may be forced to limit MaineCare admissions or shut down entirely, reducing critical access to life-saving treatment.
- **Increased Strain on Emergency Services:** Without sufficient detox options, individuals in crisis will turn to emergency rooms, driving up healthcare costs and placing unnecessary burdens on hospitals.
- **Escalation of Maine's Addiction Crisis:** At a time when Maine is still combatting an addiction epidemic, it is essential to remove barriers to treatment—not reinforce them.

I urge the committee to consider raising the MaineCare reimbursement rate for medical withdrawal services to at least align with New Hampshire Medicaid's \$594 per day. This increase would allow detox facilities to be fairly reimbursed for the intensive, life-saving care they provide, ensuring financial sustainability without requiring outside revenue sources to subsidize losses.

Maine has the opportunity to take a proactive stance in combating the addiction crisis by ensuring that reimbursement rates reflect the true cost of care. Without this necessary adjustment, we risk losing critical detox services, further exacerbating the public health crisis.

I appreciate your time and consideration on this pressing matter. I am available to provide further data and firsthand insight into the impact of MaineCare's current reimbursement rates.

Sincerely,

John Buro  
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