



Testimony of the Division of Licensing and Certification
Maine Department of Health and Human Services

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

In opposition to LD 189, *An Act to Increase Availability and Affordability of Mental Health Care and Substance Use Disorder Services by Removing the Certificate of Need Requirement*

Sponsor: Representative Libby
Hearing Date: March 11, 2025

Senator Bailey, Representative Mathieson, and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, my name is Bill Montejo, and I serve as the Director of the Division of Licensing and Certification (DLC) in the Maine Department of Health and Human Services. I am here today to testify in opposition to LD 189, *An Act to Increase Availability and Affordability of Mental Health Care and Substance Use Disorder Services by Removing the Certificate of Need Requirement*.

The department is opposed to this bill and is providing you with the following information and clarifications for consideration.

Substance Use Disorder Detox facilities subject to the MaineCare rules for reimbursement under Appendix B or E for residential behavioral health or detox facilities are not subject to the requirements for Certificate of Need.

The thresholds for new healthcare projects subject to review by the Certificate of Need process are fairly high at:

- \$14,304,312 for a hospital
- \$5,000,000 for a nursing home
- \$3,000,000 for a new healthcare facility (other than a hospital or nursing home)
- \$4,292,294 for a new health service in an existing facility

The Certificate of Need standards used in the review include a review and determination that the proposed services are consistent with the orderly and economic development of health facilities and health resources for the State as demonstrated by:

- The impact of the project on total health care expenditures after taking into account, to the extent practical, both the costs and benefits of the project and the competing demands in the local service area and statewide for available resources for healthcare;
- The availability of state funds to cover any increase in state costs associated with utilization of the project's services; and

- The likelihood that more effective, more accessible, or less costly alternative technologies or methods of service delivery may become available.

The language in the bill would exempt psychiatric/behavioral health hospitals from Certificate of need review for projects that exceed the \$14,304,312 threshold. This would have a significant impact on MaineCare and state costs. For example, a \$52,000,000 hospital renovation project in a facility that has a 47% payor mix, could have a potential MaineCare impact estimated at \$28,000,000. Without a Certificate of Need review there could be significant unplanned costs to the system.

In closing I would add that we are not aware of any Mental Health Care or Substance Use Disorder Services that were prevented from operation as a result of Certificate of Need.

Thank you for your time and attention. I would be happy to answer any questions you may have and to make myself available for questions at the work session.