

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

Testimony before the Committee on Health and Human Services in support of

L.D. 763 An Act to Improve Long-term Care by Providing Funding for Nursing Facilities Public
Hearing: Friday March 28, 2025 at 10:00 AM

Senators Ingwersen, Representatives Meyer, as well as Distinguished Members of 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 support of L.D. 763., which will provide one-
time funding for Nursing facilities to address shortfalls in the funding of the newly implemented
Nursing Facility payment system, which was effective January 1, 2025.

**The services provided by Maine's Nursing 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.**

This bill provides one-time funding of \$35 million to include Cost of Living Adjustments and to
fully fund the newly implemented NF payment system as negotiated with providers over the last
two years.

The new NF Payment system makes a key assumption that Providers will be able to significantly
reduce the use of outside nursing Agency's, which are extremely expensive. This key assumption
results in a built-in reduction in NF payment rates of \$12.85 per Maine Care Day. The impact

across all of Maine's nursing facilities will be more than 15 million. The impact on the typical 75 bed facility would be approximately \$225,000.

The Biennial Budget that was recently funded does not flat fund Nursing Facilities, funding is reduced in the 2nd year of the new NF Payment System, which is a significant cut from current rates.

Without a Cost-of-Living Adjustment, it means no ability to fund raises to staff or meet the ever-increasing costs of Food, Utilities and other operating costs, there will be no way to reduce the amount agency staffing facilities use.

We have seen nearly 30 Long-Term care facilities either closed or convert to a lessor level of care over the last 10 years. Virtually every day there is news of another hospital closing or downsizing. The instability and financial challenges in the long-term care sector affect Acute Care. Without available staffed Long-term Care capacity, patient end up stuck in Hospitals and the financial impact can be significant.

I'm encouraging you to support L.D. 763 and fully fund Cost of Living Adjustments for Long-Term Care facilities.

Thank you for the opportunity to comment and I would be happy to answer any questions.