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THE MAINE SENATE
132nd Legislature

Testimony of Senator Nicole Grohoski introducing
**LD 763, An Act to Improve Long-term Care by Providing Funding
for Nursing Facilities**

Before the Committee on Health and Human Services
March 28, 2025

Senator Ingwersen, Representative Meyer, and distinguished members of the Health and Human Services Committee. My name is Nicole Grohoski, and I am honored to represent the 22 coastal and island communities of Senate District 7. Thank you for the opportunity to introduce my bill LD 763, “An Act to Improve Long-term Care by Providing Funding for Nursing Facilities.”

As this committee knows, Maine’s long-term care facilities are in crisis. Since 2014, over the past decade, we’ve lost 29 nursing homes – including every single nursing home in Hancock County.

In January of 2024, the Ellsworth American reported on the closure of Seaport Village, right in my hometown.¹ It was the last skilled nursing facility in Hancock County. With new owners, it converted to a residential care facility. It left residents and their families feeling anxious and afraid. What would they do? Where would they go?

Upon being informed of the closure, the newspaper spoke with Samantha Jones, whose father, Ron Stanko, was a resident of Seaport Village.

Later in life, Ron experienced a traumatic head injury. It left him 95 percent non-verbal and wheelchair-bound. Besides the specific care and services that Ron needed, he also came to enjoy the community at Seaport Village. As Samantha said, “He’s not just a body in a bed. He needs to feel at home – and that goes for the whole community.” The closest possible relocation for Ron (and Samantha, who wanted to see and spend time with her father) was at least an hour away from Ellsworth. Folks like Samantha and Ron are why I’m here presenting this bill today.

Across the state, these closures are happening in large part because MaineCare has not kept up with the increasing costs of providing care, and nursing homes have been struggling with a shortage of

¹ https://www.ellsworthamerican.com/news/business/hancock-countys-last-skilled-nursing-facility-plans-to-close/article_f4310a66-aa38-11ee-b6af-677ed79c3b67.html

staff. The crisis is leaving families with fewer options for care, often giving them no choice but to relocate their aging loved ones far from home. As a result, families must travel long distances to be together.

You may already be familiar with some of the facts and stats (if not, I warn you: they are bleak), but they are worth repeating here. Maine has the oldest population in the country, meaning our need for long-term care facilities and services will only grow. For perspective, Maine had 132 nursing homes in 1995. Despite aging demographic trends, that number has dwindled to 79.

In addition, Maine has the fewest skilled nursing home beds per 1,000 residents in the entire Northeast. To close this gap, Maine needs approximately 2,000 more beds – just to have a bed ratio similar to the overall average for our New England neighbors.

As drafted, LD 763 would provide \$50 million of one-time funding for nursing facilities to the Nursing Facility Reform Transition Fund. The Fund was created to support the three-year transition from the previous rate structure to the new one.

Let me explain why funding is necessary in this biennium. After two years of collaborative discussions between the Department of Health and Human Services and the Maine Health Care Association, the new nursing home payment model was launched on January 1st, 2025.

To date, nursing homes have been paid for two months under this new model. Already, they are facing cuts to those rates:

- In the State's biennial budget, **there is no funding for cost-of-living or inflation adjustments.**
- In order to be annualized, **the new model still needs \$10 million.**
- In Year 2 of the model, there is a **built-in decrease in funding.** It requires that the direct care rate be reduced by \$12.85 per Medicaid resident day. This is based on the assumption that homes can decrease their temporary agency staffing by 50% starting in January of 2026 – totaling \$14.5 million.

With no COLA, no inflation adjustment, an automatic decrease in reimbursement, and not enough funding to fully annualize the new nursing home payment model, I worry that we are not out of the woods yet. Without this stabilizing funding, we will likely see more closures, like the latest one – the Eagle Lake Nursing Home, which will close on April 30th.

Given the current funding situation Maine's nursing homes find themselves in, I am determined to appropriate the funding they desperately need. As an amendment, I propose reducing the funding amount from \$50 million to \$35.1 million (see calculations below). It would still be one-time funding – as a bridge to keep nursing homes open. I am grateful that this committee has already

recommended that the Appropriations Committee fund the \$10 million gap in your biennial budget report back (Green Document, lines 280-282).

Further, I propose to amend the bill so that any nursing home funding appropriated in the MaineCare budget that is not fully expended be directed into the Nursing Facility Reform Transition Fund. I recommend that this fund should be non-lapsing with no expiration date and that this transfer protocol stays in place until further action by the Legislature.

Setting up this transfer could help backfill shortfalls in available funding. It would also be a safety net to stabilize nursing homes and – most critically – prevent any more closures. This proposed change could be done within existing resources.

In conclusion, Maine’s nursing homes are not just facilities; they are communities. They are where our elders receive the care they deserve, where families gather, and where dignity is preserved in the later years of life. But without adequate funding, we will continue to see more closures, more families struggling to find care for their loved ones, and more seniors forced to leave the places they call home.

LD 763 is not just about numbers on a balance sheet—it’s about people like Ron Stanko and his daughter, Samantha. It’s about every Mainer who deserves to age with respect, close to the people and places they love. I thank this committee and the Department for all you have done to reverse the trend of nursing home closures, and I urge you to support this bill to further ensure that Maine’s nursing homes remain open, accessible, and fully funded for the people who need them most.

Thank you for your time and consideration of my testimony. I would be happy to answer any questions.

Sponsor’s Amendment:

- Reduce the one-time funding amount from \$50M to \$35.1M
- Add language that directs any nursing home funding appropriated in the MaineCare budget that is not fully expended to the Nursing Facility Reform Transition Fund
 - Ensure that this fund is nonlapsing and does not expire
 - Ensure that this transfer protocol stays in place until further action by the Legislature

Nursing Facility Funding Need Calculation for Biennial Budget FY 26 & 27

2025 Avg rate	Annual Medicaid Days Per 2023 Cost Reports	Rough Cost	Est. Inflation from CPI-W NorthEast Jan 2025	Annual Inflation Adjustment Cost:	Inflation Adjustment For 18 Months Over the Biennium:	\$10M needed to make rate model whole:	Total:

400.39	1,130,000	452,440,700	3.70%	16,740,306	25,110,459	10,000,000	35,110,459
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FEATURED

Hancock County's last skilled nursing facility plans to close

By Sarah Halberstadt
Jan 3, 2024



Seaport Village in Ellsworth will be changing hands, and the new owner will no longer offer skilled nursing care. Ellsworth American Photo by Sarah Halberstadt

ELLSWORTH — Hancock County's last skilled nursing facility is slated for closure and will transition to all residential care. The change will likely displace some current residents of Seaport Village who require more support than the new facility will be able to provide.

When asked about a sale of the property, a spokesperson for the Maine Department of Health and Human Services said a transition was under review.

“The Department has received a closure plan for the nursing facility and an application for a new residential care facility at the same property,” Jackie Farwell said Tuesday afternoon. “Both the plan and application are currently under review.”

The Ellsworth American was unable to reach a representative of First Atlantic Healthcare, which owns Seaport, for comment.

Patients and their families were informed of the change in ownership last week, according to one local family affected, and a meeting held last Friday aimed to alleviate some of the anxiety family members were experiencing. Those who attended the meeting were told that the new company would provide high-level assisted care and would try to make the transition as smooth as possible for the comfort of the patients. Many family members, however, remain concerned about the change, which could still displace some current residents.

Samantha Jones, whose father, Ron Stanko, is a patient at Seaport Village, is hopeful that he will be allowed to stay. Stanko, who experienced a traumatic head injury later in life, is 95 percent nonverbal and wheelchair-bound but Jones says the new company may still be able to accommodate him because he doesn't require the help of a skilled nurse all the time. Jones says moving her father would disrupt Stanko's life because he has become accustomed to the community at Seaport Village.

“He's not just a body in a bed. He needs to feel at home and that goes for the whole community,” Jones said. “I know that I'm not alone in my concerns.” The closest facility that may be able to accommodate Stanko would take him at least an hour away from Ellsworth, a move that Jones says would be devastating to both him and his family.

Jones said assessments will be conducted next week to determine which of the current patients can stay within the facility and who will need to be moved to a new nursing home.

While First Atlantic has not yet commented on its decision to sell the nursing home, staffing issues have been a major factor in the closure of nursing homes across the state over the last few years. Since 2019, Sonogee Rehabilitation and Living Center in Bar Harbor, Courtland Rehabilitation Living Center in Ellsworth and Island Nursing Home in Deer Isle have all closed their doors, citing staff shortages or financial issues. Courtland is now Magnolia Assisted Living.