



**WRITTEN TESTIMONY FROM BRAD KLAWITTER, CEO, MAINE VETERANS' HOMES**

**BEFORE THE COMMITTEE ON HEALTH AND HUMAN SERVICES, 132nd MAINE LEGISLATURE**

**IN SUPPORT OF LD 182: AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO ESTABLISH MAINECARE REIMBURSEMENT RATES FOR THE MAINE VETERANS' HOMES ON A PER RESIDENT BASIS.**

**April 1<sup>st</sup>, 2025**

Good afternoon. Chairperson Ingwersen, Chairperson Meyer and members of this honorable committee, I am Brad Klawitter, CEO of Maine Veterans' Homes. Although I have only been with MVH for three months, it is unlike any other healthcare organization I have worked for.

I appreciate the opportunity to provide our support for LD182 and we wish to thank Representative Supica for sponsoring this critical legislation. Today, I will discuss the importance of MaineCare reimbursement rates for Maine Veterans' Homes and provide context on our unique challenges and achievements.

A brief background about myself: I am a disabled veteran. I enlisted in the Air National Guard in June 2000 as a Ground Radar Technician on a mobile, ground-based command and control radar system, serving until December 2015. During my time in service, I deployed in support of Operations Iraqi Freedom, New Dawn, Global War on Terrorism, and Air Defense of the Arabian Gulf. My commitment to serving veterans is driven not only by passion but also by personal experience.

I possess over 15 years of senior leadership experience in the healthcare sector, having managed a nursing home for the Cincinnati VA, served as the Executive Officer to the CEO of the Indianapolis VA, and led two Acute Care Specialty Hospitals focused on respiratory failure during the pandemic. Additionally, I am board-certified in healthcare administration and hold the designation of Fellow of the American College of Healthcare Executives.

It is important to provide context to my experience and areas of expertise.

When I became the leader of MVH in December 2024, I promised to evaluate the organization in my first three months. I visited all six homes and met with administrators, leaders, staff, veterans, and families. Here are my initial observations.

AUGUSTA  
35 Heroes Way  
AUGUSTA, ME 04330  
1-888-684-4464

BANGOR  
44 HOGAN ROAD  
BANGOR, ME 04401  
1-888-684-4665

CARIBOU  
163 VAN BUREN ROAD  
CARIBOU, ME 04736  
1-888-684-4667

MACHIAS  
32 VETERAN WAY  
MACHIAS, ME 04654  
1-877-866-4669

SCARBOROUGH  
290 US ROUTE 1  
SCARBOROUGH, ME 04074  
1-888-684-4666

SOUTH PARIS  
477 HIGH STREET  
SOUTH PARIS, ME 04281  
1-888-684-4668

CENTRAL OFFICE  
460 CIVIC CENTER DRIVE  
AUGUSTA, ME 04330  
1-800-278-9494

MVH's culture is unique and unmatched, as shown by:

- Every employee I spoke with, from 1 to 42 years of experience, said the residents, co-workers, and mission keep them at MVH.
- I engaged with approximately 50 residents and their loved ones. Universally, they expressed high levels of satisfaction with the care and compassion provided. This is further evidenced by being ranked in the top 15% for customer satisfaction when compared to 1,800 other long-term care facilities nationwide.
- MVH's dedication to maintaining high-quality standards. Our organization has implemented a comprehensive Quality and Performance Improvement plan applicable to all MVH homes and the entire system. All our facilities have achieved a 5-star rating from CMS (currently 5) based on quality, staffing, and health evaluations. Additionally, our homes have been honored with gold, silver, and bronze awards by the American Healthcare Association.

In summary of my first 90 days evaluation: **MVH is a system deserving of continuous and dependable funding as a baseline item in the state's budget.**

LD182 addresses the discrepancy between the cost of providing nationally recognized care and the reimbursement received. Residents with MaineCare account for over 50% of our funding source. While other nursing homes operate within the MaineCare reimbursement, we incur \$3.0 million in additional and quantifiable costs not faced by other facilities. This is due to higher staffing ratios, lower reimbursement rates for 70% service-disabled veterans, physical plant requirements, and contributions to MainePERS instead of Social Security. Additionally, there are unquantifiable expenses related to compliance with VA regulations, such as occupancy requirements and mandated eligibility criteria that cannot be quantified.

Maine Veterans' Homes faces unique restrictions compared to others in the long-term care industry. When the Board of Trustees decided to close two homes (one in Machias, the other in Caribou), LD2001 was passed requiring a Stakeholders Group, chaired by the then Commissioner of HHS, Adjutant General of DVEM, and Chair of the Board of Trustees. The group returned with recommendations, including that MVH should maintain its current six-home structure and that the State has a *moral obligation* to ensure the financial stability of MVH.

Maintaining its current footprint is a distinctive characteristic of MVH. Other facilities may close units, reduce levels of care, or cease operations altogether, as demonstrated by the alarming statistic that long-term care facilities in Maine have closed at four times the national average. Other facilities also factor cost of care into an admission decision. We have consistently prioritized patient care over financial concerns, admitting residents regardless of the fiscal impact on our organization. However, without sustainable support from the State, we may soon need to consider the cost of care in our admissions process.

We appreciate the one-time funding that Maine Veterans' Homes has received in recent years. However, to meet the stated moral obligation, we require reliable and sustained funding to be included in the baseline budget.

Funding MVH provides a notable return on investment:

- MVH saves MaineCare \$17 million annually by accepting 70% service-disabled veterans who would otherwise be on MaineCare.
- MVH's payroll impact of \$65 million is distributed across the state and is a significant employer in Caribou and Machias.
- MVH has not requested State funds for capital projects. For instance, MVH secured \$41 million in bonds to finance the new Augusta Home, while forty-nine other states contribute the required 35% for capital projects.
- Supporting MVH demonstrates Maine's commitment to honoring service members, which may influence future generations considering joining the services. Failing to meet the State's moral obligation could have a chilling effect those deciding if service is suitable for them.

I thank this honorable committee for their time and attention. I hope MVH can rely on its support for LD182. While the difficulties Maine Veterans' Homes faces are not unique, our mission of "*caring for those who served*" is.

Thank you, and I am happy to answer any questions.

Respectably Submitted,

A handwritten signature in black ink, appearing to read 'Brad Klawitter', written in a cursive style.

Brad Klawitter, FACHE  
CEO