

Testimony of Wanda Pelkey
CEO, First Atlantic HealthCare

Before the Joint Standing Committee on Health and Human Services
Tuesday, April 1, 2025 at 1:00 pm

In Opposition to:

L.D. 979 Resolve, Regarding Legislative Review of Chapter 113: Assisted Housing Programs Licensing Rule, a Late-filed Major Substantive Rule of the Department of Health and Human Services

Senator Ingwersen, Representative Meyer, and Honorable Members of the Committee on Health and Human Services:

My name is Wanda Pelkey and I serve as the CEO of First Atlantic Healthcare. First Atlantic is a Maine-based company that owns and operates 14 nursing and residential care facilities and manages the fiscal affairs for another 24 facilities. We care for about 1,200 residents in our own 14 locations throughout Maine. Many of these are Assisted Living (AL) and Residential Care Facilities (RCF). Three are dedicated to memory care residents. Today I'm providing testimony in opposition to LD 979.

I appreciate the department's efforts merging ten separate sets of rules into two. This streamlines the rules which is abundantly helpful. But I strongly oppose the major increases to minimum staffing proposed in Part B, the RCF section of the rules. Further, there's no proposal to increase the Mainecare rates, rendering this an unfunded mandate if it passes.

Please recall that RCFs were fundamentally designed as a lighter than nursing facility care, social model. For over 30 years they have met the needs of aging Mainers by providing social interaction, a full range of care services and housing at about half the cost of nursing facility services. In short, it provides good care and services at lower rates to residents and Mainecare. Crucial to keeping costs low is reasonable staffing ratios and ability to count staff that are working alongside residents (like housekeepers) to count towards those minimums.

Here's the fiscal impact on some of our RCF programs:

Facility	Town	Licensed Beds	Staff Pct Incr	Added cost
Colonial Acres	Lincoln	65	38%	\$471,000
Montello Manor	Lewiston	44	44%	\$377,000
Ross Manor *	Bangor	24	33%	\$188,000
PCAL *	Portland	170	50%	\$1,507,000

*denotes some memory care beds

Further, PCAL would be required to add a second administrator, to comply with the proposed rule change for a facility with over 160 residents. This seems like an arbitrary threshold, adding cost and no meaningful benefit.

I appreciate the Department's good intentions and we all want safe and adequate care for our residents. Yet none of the above programs will survive without substantial increases to both private paying residents and Mainecare. And that assumes we could recruit more staff without relying on costly agency workers. If this passes without Mainecare funding I can guarantee many facilities will close, leaving many residents and families without access to care. We'll be going down a path familiar to nursing facilities. Is this responsible? Does it serve the greater good?

Lastly, I urge careful review from a quality of care and acuity standpoint. We've not identified any meaningful change in case mix acuity averages, nor has our review of state inspection surveys revealed systemic care issues. For these reasons I urge you to oppose this bill.

I appreciate your time today and happy to answer your questions.

Thank you,

Wanda Pelkey