



Testimony submitted regarding LD 979  
Resolve, Regarding Legislative Review of Chapter 113  
Assisted Housing Programs Licensing Rule

April 1, 2025

Senator Ingwersen, Representative Meyer, and distinguished members of the Health and Human Services Committee

My name is Katy Smith, and I have served in the role as vice president of senior living at Avesta Housing for the past five and half years. I am also on the Board of Directors for LeadingAge Maine/NH. I have worked in senior living since 1994.

Avesta is a not-for-profit provider, operating 108 PNMI beds at 75 State Street in Portland and Inn at Village Square in Gorham. 42% of those beds are currently funded by MaineCare.

Our communities operate with very tight budgets. As a MaineCare provider we subsidize operations with our endowment and private pay funding. If forced to staff at the levels outlined in the proposed regulations, when fully implemented, these changes will increase our operating expenses by over \$500,000 annually. That is assuming we could find the staff to fill the required positions. MaineCare reimbursement does not cover *current* operating costs. To maintain our 2 communities, we would need to raise our private pay rates significantly and, most likely, decrease or eliminate MaineCare.

This change would fundamentally alter who could live at our communities. I implore you to seek a deeper understanding of the operations and business models of communities to propose regulatory changes that serve older Mainers and don't have the unintended consequences of stimulating closures of communities like 75SS and IVS who serve them.

If your intention, like mine, is to create greater safety and self-determination for older adults, please consider partnering with providers, residents, and families. There is a common ground, and I applaud the changes made in the regulations since my last testimony. However as now drafted, I worry that our community in Gorham Maine, that struggles to find staff now will not be able to meet that staffing mandate. 75 State Street has provided care to older adults since 1854, went under Avesta's umbrella in 2017 due to significant financial challenges. Adhering to these new regulations will create significant barriers for us to maintain our operations. We will spend our

endowment to support operations for as long as we can and will face tough choices including the elimination of our licensed residential care beds, Or a departure of our mission as a MaineCare provider.

I, on behalf of Avesta Housing's 108 assisted-living residents and the hundreds on our waitlist, urge you to reconsider regulatory changes to ensure that the intent of the new regulations matches the impact.

I thank the committee and encourage you to carefully consider the testimony of providers and to prioritize practical, supportive outcomes that will not only lead to enhanced quality care but sustainability for operators.

I thank the committee for considering my testimony and hope to engage further in discussions.

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