This testimony, in response to LD 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*,is filed on behalf of the three companies subsequently listed under common ownership of John Orestis or under managed services contract through Schooner Retirement Community, by Dianne Day, Director Finance & Human Resources. I have been with the organization and in the industry for fifteen years. On behalf of the organizations listed below (herein referred to collectively as Organization), I respectfully oppose the bill as written.

- Schooner Retirement Community Inc, a multilevel senior living facility with 130 Assisted Living beds and 26 PNMI IV (Residential Care) beds, located in Auburn, ME
- Schooner Memory Care Operations LLC, a PNMI IV Specialized Care Unit with 66 beds, located in Auburn, ME
- Fallbrook Woods Residential Care Facility, a PNMI IV Specialized Care Unit with 56 beds, located in Portland, ME

The Organization agrees with the Department of Health and Human Services (DHHS) that the prior rules were due to be refreshed and appreciates the effort to make the rules clear and concise. The Organization takes primary exception to the unfunded mandated increase to staffing ratios presented in the Chapter 113 rule as provisionally adopted. The Organization staffs at or above the current ratios to provide appropriate care and support to our residents. Collectively, the Organization would see an increase of 672 hours per week in year one and another 392 hours per week in year two, which equates to 17 and 10 FTEs respectively. While only one facility engages agency to meet staffing needs, all three facilities have had consistent open positions and overtime to meet staffing ratios. Twenty-seven additional FTE's does not equate to 27 individuals in today's working environment. The Organization is concerned with our ability to find that many individuals in an already tight labor market.

Based on the strain to staff according to new ratios, we anticipate not being able to make all beds available to accommodate community need, thus reducing access of much needed services to our elder population.

Assuming we are able to staff according to the new ratios the financial impact of year one across the Organization is estimated at $1.2M with an additional $700k in year two for a total implemented increase of approximately $1.9M per year. As yet, this is an unfunded mandate with no guaranteed reimbursement. The ultimate annual impact of staffing increases alone to the consumer, ranges from $8k to $15k depending on facility, regardless of payer source. This increase in cost will deplete private funds sooner, therefore increasing the burden on our Mainecare system.

DHHS prepared the original proposed rules with various and costly changes, increased staffing levels being primary among them, without input from providers or explanation as to the basis for necessity. It is acknowledged that they did make minor changes after the public hearing in November of 2024. However, the Organization respectfully requests the Committee **<u>not pass the rules as drafted</u>** and require DHHS to enter into meaningful collaboration with providers, residents and families on sustainable changes with a funding provision.