

**Testimony of Michael Tyler, Managing Partner
Sandy River Company**

Testimony before the Committee on Health and Human Services in opposition of

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

Public Hearing: Friday March 28, 2025, at 1:00 PM

Senators Ingwersen, Representatives Meyer, as well as Distinguished Members of the Committee on Health and Human Services:

My name is Michael Tyler, and I am the Managing Partner of the Sandy River Company, Chairman of the Board of Maine Health Care Association and Member of State Workforce Board. I have been involved with operations and development of Long-Term Care facilities in Maine for over 40 years. I am the owner, operator, developer or consultant associated with over 30 facilities in the State of Maine. I am testifying in opposition to L.D. 979., which if implemented as currently proposed will increase the cost of operation of Maine's assisted housing programs (Residential Care, PNMI and Assisted Living Facilities) by between 30 mill and 40 mill annually, without an associated increase in Maine Care payments to cover these costs.

Simplifying, consolidating and clarifying the 10 sections of the rule into 2 sections is a positive step and is clearly needed, however the substance of the rule changes was created in a vacuum, with no input from the providers, that are caring for Maine's citizens every day.

These rules will affect the operation of over 900 facilities in our State, many of which are small facilities and provide these essential services in Maine's small towns.

Although there are many changes proposed to the rules that have various implications for the operations of facilities, I will focus on the proposed increase in staffing levels. If implemented as written, these regulations will result in many assisted living facilities closing and the residents looking for other care options.

The total State-wide additional annual cost to meet the proposed staffing levels is more than **30 million** and is likely closer to **40 million**. To meet these staffing levels, it will require hiring over **600 new employees**, at a time that it is nearly impossible to hire in Maine today.

Most of Maine's Assisted Living Facilities serve a very high Maine Care Population, with no associated increase in Mainecare reimbursement to facilities, this is a huge **unfunded Mandate**, which will result in many facility closures.

In addition, meeting these requirements will require facilities to increase prices significantly, which is a **Hidden Tax to Mainer's**.

I wanted to give you a sense of the impact of these rules on an individual facility. Schooner Memory is a 64 bed Memory Care facility located in Auburn. The annual increase in cost for this facility would be approximately \$860,000 and would require the hiring of 9 full-time employees. This will mean an increase of \$1,200 per month in the facility charges to cover the increased cost.

Is this the time to make changes to these regulations that will require millions of additional dollars, when the State Budget is extremely tight, there is no extra funding anywhere, the federal participation in Medicaid is clearly in question.

We have seen nearly 30 Long-Term care facilities either closed or convert to a lessor level of care over the last 10 years. Virtually every day there is news of another hospital closing or downsizing. The instability and financial challenges in the long-term care sector also affect Acute Care. Without available **staffed** Long-term Care capacity, patient end up stuck in Hospitals and the financial impact can be significant.

I'm encouraging you to reject L.D. 979 and encourage DHS to work collaboratively with the provider community to work towards improved quality and access throughout the State.

Thank you for the opportunity to comment and I would be happy to answer any questions.