



**Testimony of Angela Westhoff, President & CEO  
Maine Health Care Association**

Testimony before the Committee on Health and Human Services In Support of  
***LD 1489, Resolve, to Provide Stability to Long-term Care Facility Funding***

**Monday, April 14, 2025**

Senator Ingwersen and Representative Meyer as well as Distinguished Members of the Health and Human Services Committee:

My name is Angela Westhoff, and I serve as the President & CEO of the Maine Health Care Association. We represent approximately 200 nursing homes, assisted living centers, and residential care facilities across the state. Our mission is to empower members to ensure the integrity, quality, and sustainability of long term care in Maine.

I am pleased to testify in support of ***LD 1489, Resolve, to Provide Stability to Long-term Care Facility Funding***. We thank Senator Grohoski for bringing this bill forward, which would require the Department to provide a cost of living increase for residential care facilities also known as Private Non-Medical Institutions, PNMI, Appendix C providers. These are long term care homes for older adults and those with disabilities. The COLA would be calculated using an acceptable Consumer Price Index (CPI) selected by DHHS. The COLA would be retroactive to January 1, 2025. We recognize that there are issues with timing of notifications per CMS rules and regulations.

The importance of wage and inflationary adjustments to MaineCare rates is not a new topic, nor is it uncommon to read another headline in the news about a long term care facility closure. Just last week, another residential care facility announced closure – this one close by in Farmingdale, ME. According to a Kennebec Journal article, this is the 26<sup>th</sup> residential care facility

to close since 2019.<sup>1</sup> This continued cascade of closures means that access to long term care in Maine is severely challenged. Maine is down to 79 nursing homes and approximately 120 Private Non-Medical Institutions, which residents with MaineCare can qualify for services.

Maine is the oldest state in the nation by a wide margin. Of those who live in the Pine Tree State, nearly 1 in 4 is 65 years old or older. As the baby boomer population continues to age, we will have even fewer beds available once they reach the need for this level of care.

This escalating rate of closures is happening because of low reimbursement rates, record inflation levels, and exploding labor costs. The MaineCare shortfall from the 2023 as-filed cost reports for PNMI-Cs was **\$18.4 million**. Facilities are struggling because MaineCare is their largest payor, and it does not cover the cost of providing care to the residents. In addition, the pandemic dramatically impacted the long term care workforce. We estimate we lost between 10 and 15% of caregivers. While there has been some progress in recovery, long term care still lags behind all other health care sectors in restoring its workforce. Without a COLA, providers' rates are essentially being cut. They cannot keep up with the increased costs of labor, food, medical supplies, heating oil, etc. More will be forced to close.

LD 1489 also seeks to revisit work that began two years ago on residential care/ PNMI facility rate reform. Both residential care and nursing home reform began at the same time. MHCA is grateful to the Department for the collaborative work to develop a brand new nursing home rate model that was just implemented in January 2025. The PNMI rate reform efforts were paused to focus on the nursing home methodology. This bill would require the rate study to be completed and implemented by January 2026. Equally important, the bill includes measures to ensure that sudden changes in reimbursement rates do not disrupt access to care and creates a three-year phase-in period to help keep a fragile sector somewhat stable. We implore the committee to vote yes on LD 1489. Thank you for your time.

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<sup>1</sup> Kennebec Journal, Halldale Manor to close in early May. <https://www.centralmaine.com/2025/04/09/halldale-manor-to-close-in-early-may/>. Accessed April 11, 2025.