



**Testimony of Sarah Calder, MaineHealth**  
**In Strong Opposition to LD 438, “An Act to Allow Municipalities to Limit Nonprofit Property Tax Exemptions” and LD 1795, “An Act to Change the Calculation for Municipal Service Charges for Tax-exempt Organizations”**  
**May 6, 2025**

Senator Grohoski, Representative Cloutier and distinguished members of the Joint Standing Committee on Taxation, I am Sarah Calder, Senior Government Affairs Director at MaineHealth, and I am here to testify in strong opposition to both LD 438, “An Act to Allow Municipalities to Limit Nonprofit Property Tax Exemptions” and LD 1795, “An Act to Change the Calculation for Municipal Service Charges for Tax-exempt Organizations.”

MaineHealth is an integrated non-profit health care system that provides a continuum of health care services to communities throughout Maine and New Hampshire. Every day, our over 24,000 care team members support our vision of “Working Together so Our Communities are the Healthiest in America” by providing a range of services from primary and specialty physician services to a continuum of behavioral health care services, community and tertiary hospital care, home health care and lab services.

Both LD 438 and LD 1795 target organizations that not only provide critical services to our most vulnerable communities, but also, in most cases, are extremely financially challenged themselves. Maine’s non-profit hospitals are buckling under the pressure of increased labor and supply costs combined with reimbursement rates that have failed to keep up with the inflationary costs that we are experiencing. In fact, Maine’s non-Critical Access Hospitals are the 5th poorest, 2nd most heavily indebted, and have the 5th oldest infrastructure nationally.

Asking more of already-strained non-profit organizations will have significant unintended consequences and jeopardize care to our most vulnerable populations. Many organizations are already doing more than is required of them. **For example, MaineHealth provides free care for all services to all patients at or below 200% of the federal poverty level, better than Maine’s legal minimum of 150%.** Additionally, last year:

- We provided \$45 million in total free care to patients, and now preemptively screen for free care so that patients do not need to apply (although they still can apply).
- Assisted almost 29,000 clients, submitted over 8,000 MaineCare applications, and provided over \$40.5 million in prescription assistance programs through MaineHealth’s nationally recognized Access to Care programs, which provide financial assistance to help people access high-quality care, and free and reduced-price medications.
- MaineHealth’s food pantries shared over 1 million pounds of food (1,040,200) with nearly 22,000 community members who visited the pantries 40,000 times.
- As the largest provider of community based behavioral health services in the state, MaineHealth Behavioral Health lost nearly \$17 million last year and almost \$18 million the year before due to inadequate reimbursement rates.
- Partnering with Adult Education programs throughout the state, MaineHealth has worked to fill the critical need for training of health care workers through our tuition-free (CNA) Apprentice

program. During the 7-week course, students are paid and offered benefits. At the end of the program, students take the CNA certification examination at no cost to them. We have had over 2,000 graduates since the creation of this program.

- We have also made a commitment to pay competitive wages to our care team of approximately 24,000 employees. As a system, MaineHealth has increased wages for non-executives and non-physicians by \$324 million since 2021.

It is important to note that any funds shifted away from non-profits would add to the State's burden of providing services to vulnerable populations. Organizations would not be reinvesting those funds back into their missions, like the examples I provided above, and it would create a significant gap that could jeopardize access to care for our most vulnerable communities.

I strongly urge you to oppose both LD 438 and LD 1795. Thank you and I would be happy to answer any questions that you may have.