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Testimony of the Office of MaineCare Services
Maine Department of Health and Human Services

Before the Joint Standing Committee on Health and Human Services

In opposition to LD 1932, *An Act to Support Essential Support Workers and Enhance Workforce Development*

Sponsor: Speaker Fecteau
Hearing Date: January 20, 2026

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services. My name is Michelle Probert, and I serve as the Director of the Office of MaineCare Services (OMS) in the Maine Department of Health and Human Services and I am here today to testify in opposition to LD 1932, *An Act to Support Essential Support Workers and Enhance Workforce Development*. In this testimony I will be referencing the proposed amendment to the bill, circulated on January 14, 2026.

This proposal would make several significant changes, including:

- Increasing MaineCare or state-funded program reimbursement to agencies for the labor portion of the reimbursement rate for Essential Support Workers from 125% of the Maine minimum wage to at least 140% of the Maine minimum wage.
- The bill requires the Department reimbursement to be adjusted within six months of when the minimum wage increase takes place each year, beginning January 1, 2026.
- In addition, the bill adds a requirement that agencies reimbursed by MaineCare or another state-funded program must pay Essential Support Workers at least 125% of the minimum wage six months after the increase to the reimbursement rate increase to agencies has been applied.
- If insufficient funds are appropriated for the reimbursement adjustments, then the Department shall implement increases that are proportional to the funding received or apply the increases to certain services provided by Essential Support Workers even if it results in them being paid less than 125% of minimum wage.
- It adds a requirement for the Department of Administrative and Financial Services to report to the Joint Standing Committee on Health and Human Services by November 1, 2026 and every two years thereafter, the total biennial cost to the state for all approved services under MaineCare and state funded programs provided by Essential Support Workers including the projected cost if all those who qualify for the services received them.
- It requires the Department to convene two separate stakeholder groups: One group will develop the "Innovations in Care & Support Technology Plan" to advance the use of technology to reduce the number of approved but unstaffed Essential Support Worker hours,

and another group will develop a five-year plan to expand the Department's worker portability and advancement initiative to establish a standardized curriculum and training program for Essential Support Workers.

- There are also other changes related to the work of the Essential Support Workforce Advisory Committee and Maine Health Data Organization (MHDO).

To begin with the aspects of this bill related to MaineCare or state-funded program reimbursement, as written, LD 1932 would require the Department to increase reimbursement to agencies for the labor portion of the reimbursement rate for Essential Support Workers to at least 140% of the Maine minimum wage, while providers would only be required to pass on at least 125% of the minimum wage to the workers, creating higher costs for the state that may never be included in the wages of Essential Support Workers. Notwithstanding this discrepancy, it is worth noting that current statute does not require agencies pay anything above the minimum wage, despite the Department's current reimbursement supporting 125% of the minimum wage for these workers. While this is an improvement in ensuring funding reaches worker wages, we continue to note that there is no mechanism for oversight and enforcement of the wage requirements of this bill.

Related to the timing expectations of the bill, as we have experienced in recent years, having the amount of reimbursement tied to a minimum wage factor within six months of when the minimum wage increase takes place, does not allow sufficient time for the Department to evaluate the need and request and receive an appropriation to cover the minimum wage amount – contributing to a cycle of potential underfunding for the MaineCare program. LR 2083, *An Act to Update and Improve the MaineCare Reimbursement System*, proposes these adjustments be made six to twelve months after the minimum wage increase goes into effect to allow sufficient time for this fiscal planning and to avoid the administrative burden and lack of predictability associated with retroactive rate changes. Additionally, the amendment creates a timeline where the full fiscal impact will not fall within this biennium, creating a built-in structural budget shortage in the next biennium; a 12% rate increase for the affected Sections of Policy could require new investment of over \$140M in all funds. The amended bill does include language regarding flexibilities the Department has when insufficient funds are appropriated which should address these situations as it leaves decision-making and analysis within the Department. These proposals are similar, though not the same, as proposed prioritization language proposed in LR 2083, which includes criteria related to whether a service has undergone a MaineCare rate determination and whether there is evidence of issues related to member access. The Department would welcome the opportunity to discuss these distinctions further.

It is also important to note that these rate changes are being proposed on top of the 22 M.R.S. §3173-J rate reform process, which requires a rate determination at least once every five years for all MaineCare covered services. Most of the sections of MaineCare policy impacted by this bill either had a rate determination effective in 2023 or have a rate determination currently in progress.

Regarding the proposed stakeholder groups, the Department has recently been engaging in two very similar efforts with external partners that appear duplicative of the work proposed in this bill. The first example is the work the Office of Aging and Disability Services (OADS) has done

over the past year to engage internal and external partners, including national experts, in robust discussions about the use of technology and its role in enhancing the value and quality of services. OADS is in the process of creating a Technology Council in 2026 that would bring interested parties and national experts together to generate strategies and policies to meet these goals. OADS has also worked with internal and external partners to establish a standardized, portable credential for two types of Essential Health Workers. Statewide implementation of this credential will require rule changes. External partners are regularly updated about the timeline for the rollout as well as future workforce recruitment and retention strategies.

If passed, LD 1932 will have a significant fiscal impact on the state due to rate increases and unaccounted for administrative costs associated with complying with reporting requirements included in the bill. The Department needs to finish rate determination work currently in progress and prioritize those sections of policy that have not yet had a rate determination since 22 M.R.S. §3173-J was enacted. Therefore, the Department requests the committee observe the statutory rate reform process outlined in 22 M.R.S. §3173-J and consider that the stakeholder groups outlined in this bill are duplicative of work currently in progress.

Thank you for your time and attention. I would be happy to answer any questions you may have and to make myself available for questions at the work session.