



Alliance for Addiction and Mental Health Services, Maine
The unified voice for Maine's community behavioral health providers

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Testimony in Support of

An Act to Sustain Access to Children's Residential Care Services – LD 2125

January 27, 2026

Good afternoon, Senator Ingwersen, Representative Meyer, and honorable members of the Committee on Health and Human Services. My name is Adam Bloom-Paicopolos. I am a resident of Wells and am proud to serve as the Executive Director of the Alliance for Addiction and Mental Health Services, Maine (the Alliance). The Alliance is the statewide association representing 34 of Maine's community-based behavioral health agencies who provide mental health and substance use services to over 120,000 children, adults, and families annually. The Alliance advocates for the implementation of sound policies and evidence-based practices that serve to enhance the quality and effectiveness of our behavioral health care system.

On behalf of the Alliance, I am here today to speak in strong support of LD 2125, "An Act to Sustain Access to Children's Residential Care Services" and to thank Representative McCabe for bringing this important legislation forward.

LD 2125 makes two important steps to address the ongoing crisis in Maine's child residential treatment system (CRCFs) that has resulted in Maine children being placed out-of-state for treatment or being boarded in emergency departments due to the strained and declining capacity of in-state CRCF agencies. This bill:

1. Requires the Department to initiate an emergency rate determination process for Children's Residential Care to ensure reimbursement rates reflect the true cost of delivering safe, effective care.
2. Establishes a \$1 million emergency stabilization fund to prevent additional program closures and preserve remaining in-state capacity while waiting for the rate determination to be completed and implemented.

Maine's remaining CRCF providers have been increasingly unable to staff programs that can safely accept many Maine youth due to a reimbursement rate that does not reflect high staff turnover and the actual costs needed to operate programs serving high acuity and complex needs. As a result, Maine has lost almost 80% of its CRCF capacity over the last two decades, with 111 beds and two additional programs closing in the past year alone. This has directly translated to over 60 Maine children in out-of-state placements as of April 2025 per the Department's LD 435 Final Report.ⁱ

With that said, we are appreciative of the Department's recognition of this crisis in its addition of CRCF services (MaineCare Section 97, Appendix D) to its Final CY26 Rate Determination Schedule in January.ⁱⁱ We respectfully ask that this Committee urge the Department to maintain its shared commitment to promoting a full continuum of care by prioritizing the determination and implementation of this rate as soon as possible and in sincere consideration of the specific challenges outlined in provider testimony today. With just six providers left, we cannot afford to wait and send more Maine children to out-of-state facilities and or emergency department rooms.

The second portion of this bill establishes a \$1M stabilization fund which is just as critical to preserving the system. This fund represents a crucial lifeline for remaining providers to access financial support to stay afloat while waiting for a new rate to be determined and implemented. The Office of Behavioral Health (OBH) is already a tremendous partner in being responsive to the needs of providers nearing closure to the best of their ability. This fund would be an additional tool in OBH's toolbox, and we have full faith in OBH's ability to leverage these funds to their maximum potential and intent to avoid additional closures and prevent unnecessary out-of-state placements while the rate determination process unfolds.

CRCFs experience some of the highest staff turnover and vacancy rates in Maine's community behavioral health system. This is because youth served in CRCFs require intensive staffing ratios, highly trained personnel, and specialized interventions – none of which are sustainably supported under current reimbursement levels. Accordingly, CRCFs consistently report significant workforce and operational challenges associated with the intensity and unpredictability of providing this much needed care, including:

- Elevated needs for crisis management, trauma-informed care, and 24/7 therapeutic support
- Non-reimbursable bed hold days
- Increased staff injuries and turnover
- Facility structural and fixture damages at prohibitively expensive costs to repair or replace
- High rates of police involvement due to behavioral crises

In recent data shared with the Department, providers reported turnover rates as high as 79% with financial losses totaling over \$1M annually. Providers are increasingly unable to hire and keep adequate levels of qualified and experienced workers that can effectively manage a full program of highly complex needs. This in turn leads to more burnout and turnover which further destabilizes treatment environments, reduces the number or acuity of children a program can safely accept, and accelerates program closures.

Maine's child residential system is at a breaking point. While this bill cannot fix all the underlying issues on its own, it will provide vital resources to address short-term challenges such as immediate staffing needs, retention efforts, and financial loss pressures to prevent additional closures during the rate determination process to be initiated by the Department this year. These two measures, when moved together, will provide immediate support and long-term sustainability for Maine to finally be able to care for its own children.

For these reasons, we respectfully ask that children's residential services be recommended as a priority in the Department's 2026 rate determination and implementation schedule and that this Committee votes "Ought to Pass" on LD 2125 to establish a stabilization fund for CRCF providers to continue meeting the needs of the children and families they serve.

Thank you for the opportunity to provide testimony this afternoon. I would be happy to answer any questions from the Committee.

Respectfully,



Adam Bloom-Paicopolos, MPP
Executive Director

ⁱ Maine Department of Health and Human Services. A Report on Children's Residential Treatment Services and Implementation of the Department's Strategic Priorities for Children's Behavioral Health Services. April 2025. <https://legislature.maine.gov/doc/11829>

ⁱⁱ Maine Department of Health and Human Services. Final Rate Determination Schedule for Calendar Year 2026 (CY26) and Comment Summary. January 2026. <https://www.maine.gov/dhhs/oms/providers/provider-bulletins/final-rate-determination-schedule-calendar-year-2026-cy26-and-comment-summary-2026-01-20>