



North American Family Institute
A Place to Belong

Testimony
LD 2125

Good afternoon, Senator Ingwersen, Representative Meyer, and Honorable Members of the Health and Human Services Committee,

My name is Jill Allen, and I am the Chief Operating Officer at NFI NORTH. NFI, which stands for North American Family Institute and has been providing services to children who need out of home care in Maine since 1992. With a degree in psychology and a master's in mental health counseling, my employment search focused on a place that served children who had acute mental health and behavioral needs. It was in 1992 that I discovered NFI North and began my 34-year career providing services to children and families of Maine.

When I first began working with children in our Lewiston program, I didn't know what residential treatment was about. I didn't know that there were children languishing in psychiatric hospitals such as Jackson Brook Institute, now Spring Harbor. I was saddened and appalled at the number of children who stayed in hospital care for much longer than needed due to lack of placements. These children were not safe to go home, and therefore the gap in service led them to be institutionalized longer than necessary.

NFI North was part of the building of a system of care for children who are not ready to go home but should not be in the hospital. From 1992 until 2008, we operated 11 different children's residential programs in the state of Maine with various specialties.

In 1998 NFI North responded to the secure treatment RFP and were awarded the bid to bring back over 250 youth who were placed out of state due to a lack of services in Maine. These were three secure treatment programs, the first of their kind, in the state of Maine. These programs served many youth who had lived far away from their families for months and years to get the services they needed. It was a proud day when NFI North brought back the last few kids and could say that all young people were being served in the state of Maine. Sadly, the trend is being recreated as this cycle of care has come full circle, and we are sending more and more children out of state because we no longer have adequate services in place to treat their special needs.

I feel like this historical view is important for you to understand, in that NFI North wants to be part of ending this cycle, while keeping children in our home state, close to their families and invested in their child returning home.



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Due to overall reduction in support for these programs, both systemically and financially, we recently considered eliminating our children's residential services. NFI North has struggled to cover costs due to a number of reasons, including inadequate reimbursement, poorly designed rule changes, and unfunded mandates that negatively impact our ability to support kids. We are here as a last-ditch effort to plead our case and ask for your support to help us fulfill our mission of supporting the kids in Maine who need our help the most.

I'd like to tell you a short story about a young girl named E.

She was a resident at our first children's residential treatment program in Lewiston 30 years ago. She came from a very loving, caring, middle-class family, who were devastated having to place her in residential treatment because they did not want her to leave home. They wanted to care for her and were involved in every aspect of her treatment. They learned, as she did, about her mental health needs, and ways to overcome the challenges she had with depression and suicide. Eventually, E was able to return home and later became an NFI Empowerment Award Recipient for her contributions to her greater community. E's sister, Ashleigh, is currently on the NFI North Board of Directors, where she is actively involved to ensure that the quality of services for NFI NORTH remains of the highest standard. At a recent board meeting Ashleigh excitedly talked about her experience in running a road race to support NFI North services and how being involved board member is something that gives her great pride. She then said "I am convinced that if my sister did not receive services from NFI North, she would not be here today, and my family would be without my sister. It is my mission to ensure that families have the same clinical services that my family had and needed for my sister to be alive". I'm sure we all have testimonials such as these, yet telling E's story, her family's story, is just one of hundreds who have needed residential services for their children in the state of Maine. We have rehabilitation programs for the elderly in nursing homes so that they may return home successfully. Residential services for a youth with mental health needs leaving a psychiatric hospital is a similar concept. It is a critical step in the transition that enhances permanency in the home.

Below, I'm outlining some of the critical shifts that have happened, which put NFI North and other agencies that serve children in a current dire financial situation

In 2021, the residential treatment Maine care rules changed so that if a child was not "sleeping under our roof", we were not allowed to bill for them. This was to align the



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children's rules with the adult rules, which on the surface might make sense. There are two issues with this linear thinking, the first is that children must always have a transition home (or to the next place of care), treatment goal which is focused on getting the child transitioned as quickly as possible. One of the interventions supporting this goal is always face-to-face family therapy sessions in the home and practice overnight stays in which our staff members are on call 24/7 and will go to the home at a moment's notice should they be needed. Our care does not stop for the child and family just because they are home and often, we would be called to either intervene or support the parent. The second issue with this linear thinking is that adult services are cost settled, while children services are not. Not paying us anytime a child is not spending the night at our facility means you essentially taking away payment, even though our fixed expenses remain the same.

Another example of this billing issue is when a child goes to a hospital for a mental health assessment, we often sit for hours in the emergency room, waiting for them to be assessed. Often, this will be throughout the evening, and they will be seen and returned to our program in the early hours of the morning. We are not allowed to bill for the services of our staff transporting them there, often staying with them in the hospital and having them returned to the program because, as the rule says, if their head is not in the bed, we are not allowed to bill for them. This unfunded rule mandate has put a huge financial strain on us in the first quarter of this year alone, resulting in significant financial losses in our six children's programs. In FY2025 we had 1,682 unpaid days totaling \$1,138,798. Of those, 765 were hospital days totaling \$517,961 lost. FY2026 continues this similar trend with a total of 756 unpaid days totaling \$503,050. We simply cannot survive with a financial loss as great as this.

Staffing costs, and the enormous amount of recruitment dollars it takes to recruit and retain staff, has been an ongoing concern and has escalated since the pandemic. We have increased pay, provided bonuses, and flexed schedules to recruit and retain staff. These measures were taken despite incremental rate increases to match costs. Each year our medical coverage benefits increase, and we expect this year's to be two times what they were last year. We fear losing many staff due to these significant cost increases, should we not be able to increase their wages. This alone will ultimately force us to close programs.

Our daily expenses, including utilities, food, household items, and vehicles have increased exponentially. Food banks and related commodities are scarce, and donations are down. To add insult to injury, our most recent room and board rate has gone down, not up, from



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previous years. We do not receive enough money from the state to meet the very basic needs of the children.

Accreditation is now a requirement as part of the Family First initiative. As a provider, we were initially compensated for any startup costs for this requirement, but nothing is funded for ongoing costs. This fiscal year alone NFI North paid the Joint Commission nearly \$50,000 for accreditation costs. We are being asked to uphold a higher administrative burden without compensation.

Under the best intentions, the Family First initiative was adopted by the state of Maine to ensure provider accountability for aftercare services to increase permanency post discharge. The requirements for this service include hiring additional nursing and case management staff to provide these services 6 months post discharge. The cost of providing these services, and the overall lack of billable hours due to reduced family demand for aftercare services, are astronomical. Last fiscal year NFI North lost \$177,000 just in the costs of the aftercare service portion of our programming. This does not include the time and training we were required to do in the adoption and training of a Trauma Informed Model of treatment and subsequent assessment activities, which again is an additional administrative burden. If the state of Maine is going to require agency programs to use the Family First model, then they should be required to pay us for the implementation of doing so. Again, great in theory, but it lacks the systemic support for success. This is not unique to NFI North, but to all children's providers.

Thank you sincerely for listening and reading my testimony. As a steadfast, loyal, professional who has worked for over 34 years with children and families, I have had a front seat to the many changes that have been made to keep the system working. I am terrified that this very system may be collapsing and children will suffer because of it. Please support LD 2125 to sustain the services needed for our young people.

Respectfully,
Jill Allen, Chief Operating Officer
NFI North

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