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

Before the Joint Standing Committee on Health and Human Services

In opposition to LD 2131, *An Act to Preserve and Improve Access to Nursing Facility Services in the State*

Sponsor: Senator Grohoski  
Hearing Date: February 11, 2026

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services. My name is Olivia Alford, and I serve as the Deputy Director of Policy and Programs 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 2131, *An Act to Preserve and Improve Access to Nursing Facility Services in the State*.

The amended bill requires provisions of the Nursing Facility (NF) Rate Reform be changed through emergency rulemaking. The bill also requires the Department to use the Transition Fund to issue the 2025 Quality Bonus Pool payments by March 1, 2026.

Overall, the Department is seeking additional time to review the Cost-of-Living-Adjustment (COLA) proposal and discuss with stakeholders. Throughout the NF Rate Reform process, the Department has thoroughly invested in and valued our close collaboration with NF providers and the Maine Health Care Association (MHCA). The successful transition of MaineCare's NF payment model from a primarily cost-settled system to a primarily prospective per diem system with quality incentives has been a true achievement of this partnership. The mechanisms of how the new methodology operates and intersects with COLAs, the three-year transition period, and ongoing facility challenges is inherently complex and requires due diligence.

There are a few elements of this bill the Department would like to address outright today. First, the proposal for contract labor cannot be effective January 1, 2026, due to federal noticing requirements which must take place prior to a reimbursement change effective date. The Department and MHCA have discussed how there have been overall improvements in the reliance on contract staff within Maine NFs, as was the goal with NF Reform. While we applaud this progress, additional investment in this area lessens the planful phased transition of NF rates over a three-year transition period to our standard statewide base rate and will cost significantly more money out of the Transition Fund, which is a limited resource and necessary to cover the cost of reform.

For this bill, the Department objects to the rulemaking timeline proposed as producing an emergency rule within approximately 30 days would disrupt high priority rulemakings such as

those related to the Children's Behavioral Health Settlement Agreement and is thus not feasible. The Department can advise on more appropriate timelines based on final bill provisions.

Lastly, the Department is concerned with the proposal to pay for the 2025 Quality Bonus Pool by March 1, 2026, regardless of whether the Department has received federal approval. This would require use of all state funds, from the Transition Fund, which runs a serious risk that such funding will not be available or will use funds intended for other purposes. We anticipate CMS approval on this new Quality Bonus Pool payment, but making any payments prior to formal approval would carry risk, as this is a new kind of payment for Maine.

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.