

**Testimony of Michael Tyler, Managing Partner
Sandy River Company**

Testimony before the Committee on Health and Human Services in Opposition to:

L.D. 2177 An Act to Update and Improve the MaineCare Reimbursement System

Public Hearing: Wednesday February 10, 2026, at 10:00 AM

Senators Ingwersen, Representatives Meyer, as well as Distinguished Members of the Committee on Health and Human Services:

My name is Michael Tyler, and I am the Managing Partner of the Sandy River Company, the Senior Analyst for North Country Associates, Chairman of the Board of Maine Health Care Association and Member of State Workforce Board. I have been involved with the operations and development of long-term care facilities and services in Maine for over 40 years. I am an owner, operator, developer, and consultant, associated with over 30 facilities in the State of Maine.

I am testifying in strong opposition to L.D. 2177 because it provides unfettered authority to DHHS to withhold and reduce payments to nursing facilities, while the responsibility to care for Maine's seniors remains with providers, regardless of whether facilities are paid.

Amongst many other changes, L.D. 2177 makes inflationary increases dependent on legislative appropriations and eliminates recurring rebasing. These are both fundamental components of a successful and sustainable payment system and one of the hallmarks of Maine's award winning rate reform system. These reforms are part of a multi-year effort to "ensure the sustainability of providers and improve health outcomes for MaineCare members."

It is critical that the State acknowledges that the services provided by Maine's long term care facilities are essential services, just like public safety and law enforcement. Creating a system in which the payment for these services is optional, could be reduced or delayed, and yet still require providers to meet their responsibilities, is inappropriate and unrealistic. It is also dangerous to Maine's oldest and most vulnerable residents.

Others will provide testimony regarding specific sections of L.D. 2177, while I have focused on the major objectives of this bill:

- Making COLA, inflationary adjustments optional
- Eliminating recurring rebasing
- Eliminates and reduces informal notice and comment periods for rulemaking
- Reimbursement adjustments would be subject to the availability of appropriations

I am urging the Committee to strongly reject **L.D. 2177**, which is a regulatory overreach. It is critical that key checks and balances remain in place.

Thank you for the opportunity to comment and I would be happy to answer any questions.