



Testimony of Laura Cordes
In Opposition to
LD 2177 An Act to Update and Improve the MaineCare Reimbursement System
Joint Standing Committee on Health and Human Services
February 11, 2026

Good morning, Senator Ingwersen, Representative Meyer, and distinguished members of the Health and Human Services Committee. My name is Laura Cordes, and I serve as the Executive Director of the Maine Association for Community Service Providers (MACSP). MACSP represents nearly 100 agencies delivering person-centered case management, educational, vocational, residential, and community-based supports, as well as specialized services, to more than 2,000 children and 5,000 adults with Autism, intellectual and developmental disabilities, and brain injuries across Maine. These services are delivered by a dedicated workforce of approximately 9,000 direct service professionals and are foundational to helping people with disabilities live full, meaningful lives in their communities.

MACSP stands in opposition to LD 2177, specifically the language in Section 3, subsections 2, 3, 4, and 7, which would make the implementation of rate adjustments and annual cost-of-living adjustments (COLAs) contingent on the year-to-year availability of appropriations, rather than on the predictable schedule and funding needed for the cycle of rate determinations and annual COLAs established in current statute §3173-J.

Section 3, subsection 2, paragraph D, subparagraph (3) (page 5, line 25) allows cost-of-living adjustments to be reduced or eliminated based on the availability of funding.

Section 3, subsection 3, paragraph A (page 6, lines 22–26) allows rate adjustments resulting from application of the reimbursement methodology to occur without rulemaking, thereby reducing legislative and public oversight.

Section 3, subsection 4 (page 7, lines 10–13) makes reimbursement adjustments “subject to the availability of appropriations” and authorizes the Department to reduce or eliminate scheduled adjustments from rate determinations or cost-of-living adjustments.

Section 3, subsection 7 (page 8, lines 33–34) limits transparency by replacing a requirement that certain rate information “must” be publicly accessible with permissive language stating it “may” be made available.

Taken together, these provisions shift discretion entirely to the Department and Executive Branch while weakening legislative oversight and leaving legislators and providers without the information needed to budget and plan responsibly or assess whether statutory commitments are being met.

Far from safeguarding or sustaining the MaineCare rate-setting system developed by the Department and adopted with bipartisan legislative support and stakeholder input just four years ago, this bill would codify uncertainty and undermine the transparency and predictability that rate reform was designed to provide. In good faith, providers have relied on this transparency and predictability to maintain critical services, retain skilled workers, and plan for rising operational costs.

By making reimbursement adjustments discretionary and subject to undefined *available funding or availability of appropriations*, LD 2177 would jeopardize access to adequate rates and reverse the progress made under the current statute §3173-J.

Annual COLAs that keep pace with Maine's annually adjusted minimum wage are a lifeline for our sector. They have helped providers begin to address long-standing wage compression, keep pace with inflation, and remain operational while waiting, often for years, for service rates to be fully redetermined under the current five-year rate reform cycle.

Agencies delivering adult IDD services—including work supports, community supports, residential services, and specialized services for individuals who are aging or who have complex medical or behavioral needs—have participated in this process and waited patiently. We have planned, budgeted, and operated with the expectation that the statutory commitment to annual COLAs would be honored while rate determinations moved forward for HCBS MaineCare Sections 18, 20, 21, and 29.

Yet today, the uncertainty is only growing. The Administration has not proposed funding a COLA in the FY 2027 supplemental budget, nor—to the best of our knowledge—has it proposed funding to *implement* the HCBS service rates that have been finalized and published following completed rate studies and the determination process that began in the fall of 2023.

Providers in our sector rely almost exclusively on MaineCare reimbursement to deliver state services. We are operating in an extremely tight labor market, with stagnant or noncompetitive wages, delayed implementation of new rates, and inconsistent COLAs. Many programs are operating at deficits. There is little capacity left to absorb rising labor, benefit, and program costs.

A rate-setting process is only as strong as the funding and transparency that supports it. Predictability is not a luxury; it is essential to workforce stability, service continuity, and the health and safety of the thousands of people who rely on MaineCare every day.

As written, MACSP urges the Committee to vote against LD 2177 and preserve the integrity, transparency, and predictability of the MaineCare Rate setting system. In doing so, you will preserve critical services for Maine citizens with disabilities and ensure there is a workforce to support them.

Thank you for your time and consideration. I would be happy to answer any questions today or during the work session.