



**LD 2177 – An Act to Update and Improve the MaineCare Reimbursement System**  
February 11, 2026

Senator Ingwersen, Representative Meyer, and distinguished members of the Health and Human Services Committee, my name is Betsy Sweet, and I am here today on behalf of the Behavioral Health Community Collaborative, also known as BHCC. Thank you for the opportunity to testify.

BHCC appreciates the Legislature’s ongoing efforts to strengthen MaineCare and improve how reimbursement rates are established. We recognize that LD 2177 is presented as a technical bill designed to modernize and improve the rate-setting process. We agree that transparency and consistency matter.

However, BHCC must testify in opposition to LD 2177 because we believe that, as written, it risks reinforcing structural underpayment across MaineCare-funded services and could unintentionally weaken the stability of Maine’s community-based behavioral health system.

First, the bill weakens the reliability of cost-of-living adjustments. While the bill retains a COLA framework, it makes clear that all adjustments are subject to available appropriations and can be reduced or eliminated. In practice, this removes predictability for providers who must plan staffing, wages, and retention strategies months and years in advance. Maine’s behavioral health workforce is already under extreme pressure, and uncertainty in reimbursement worsens that challenge.

Second, LD 2177 prioritizes benchmarking to Medicare or other payer sources before requiring true cost-based rate studies. For behavioral health and community services, Medicare benchmarks often do not reflect the actual cost of delivering care in Maine. This creates a serious risk that benchmarking becomes a ceiling rather than a baseline, and providers will be locked into reimbursement levels that do not match the cost of providing safe, quality services.

Third, the rate update cycles are too slow. Five-year rate determinations and four-year benchmarking cycles do not match today’s reality. Labor costs, insurance, compliance requirements, facility expenses, and technology costs are rising rapidly. Providers cannot survive in a system where reimbursement adjustments lag behind cost increases for years at a time.

Fourth, the bill’s COLA structure focuses heavily on direct care staffing costs, with limited recognition of the indirect infrastructure required to deliver quality services—clinical supervision, administrative support, compliance, quality assurance, technology systems, and insurance. Without these supports, services cannot remain safe, licensed, or sustainable.

Fifth, the bill allows prioritization of funding based on demonstrated access issues. While access is critically important, this creates a troubling incentive: providers that absorb losses to keep programs open may be deprioritized because they have prevented an access collapse. In other words, the organizations holding the system together may be penalized for doing so.

Sixth, LD 2177 creates a framework where rate adjustments are explicitly subject to appropriations and can be reduced or eliminated, including cost-of-living adjustments. It also allows adjustments to be delayed 6 to 12 months after wage increases take effect. This places providers in the impossible position of absorbing rising workforce costs immediately, while reimbursement may lag behind for up to a year.

Ultimately, our concern is that LD 2177 may create a rate-setting process that appears rational on paper, but still fails to ensure adequacy in practice. The result could be program closures, reduced capacity, longer waitlists, workforce instability, and reduced access to behavioral health services statewide.

BHCC strongly urges the Committee to oppose LD 2177 as written and instead pursue reforms that guarantee reimbursement adequacy, ensure predictable COLAs, and strengthen cost-based rate methodologies for MaineCare-dependent services.

Thank you for your time, your leadership, and your commitment to Maine's health and human services system. I would be happy to answer any questions.

Submitted by,  
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