

Testimony of *Mary Jane Richards-McDade, CEO*
North Country Associates

Before the Health and Human Services Committee

In Opposition to:

LD 2177, An Act to Update and Improve the MaineCare Reimbursement System

February 11, 2026 at 10:00 AM

Good morning Senator Ingwersen, Representative Meyer, and esteemed members of the Health and Human Services Committee, my name is Mary Jane Richards-McDade and I am the CEO of North Country Associates. We represent 20 facilities across Maine. We employ roughly 1100 individuals and care for 909 residents.

I am testifying this morning in opposition to LD 2177. My concerns are that this bill would allow the Department to take actions that would reduce the predictability and the stability of MaineCare reimbursement.

- LD 2177 makes adjustments to nursing home reimbursement. Specifically in section 1 of the bill, it seeks to eliminate the two-year rebasing for nursing facility rates. This is problematic because when nursing home MaineCare rates are not rebased (or recalibrated) regularly then the gap between cost of care and reimbursement widens and makes it very challenging for nursing homes to continue to operate.
- Section 3 of the bill is especially concerning. LD 2177 proposes significant changes to 22 M.R.S. § 3173-J that would expand DHHS' ability to adjust rates without rulemaking or informal notice and comment, which means opportunities for provider input would be eliminated.
- This would create unprecedented latitude to change payment rates for MaineCare covered services without public comment opportunity and without any clearly defined opportunity for appeal or recourse.
- In addition to not requiring public comment on rate changes, there is language that would create a blanket exemption from the entire rate reform statute for changes to rates required "by the federal government to assist with emergency or extraordinary circumstances or rate reductions required by the Legislature for the purpose of responding to projected MaineCare budget shortfalls." This is deeply troubling.

- This could lead to reductions in provider reimbursement rates being the first line of response to resolving budget shortfalls.
- One of the most important components of MaineCare rate reform was recognizing that cost of living adjustments are a standard part of updating rates to keep pace with the changes in the cost of delivering healthcare. LD 2177 gives the Department widespread authority to “reduce reimbursement adjustment amounts, including otherwise specified cost-of-living adjustments amounts, in proportion to available funding, including elimination of a scheduled adjustment if funding is unavailable.” This would create a great amount of uncertainty for MaineCare providers who are trying to anticipate and provide competitive wages for direct care workers.
- In light of the historic workforce shortages facing MaineCare providers and the large number of nursing home and residential care facility closures across Maine, this is deeply concerning bill language. Without adequate MaineCare rates that are rebased regularly and meaningful cost of living increases to pay competitive wages, long term care will continue to struggle. Sadly, Maine will experience continued reduce access or worse, more homes will close.

I urge the committee to vote no on LD 2177. Thank you for your time and attention. I would be happy to answer any questions.