



**Maine Alliance for Care at Home
Testimony for the Joint Standing Committee on
Health & Human Services on
LD 2177 An Act to Update and Improve the
MaineCare Reimbursement System**

February 11, 2026

Senator Ingwersen, Representative Meyer, and members of the Health & Human Services Committee:

My name is Sara Ratcliffe, and I serve as Executive Director of the Maine Alliance for Care at Home. The Alliance is submitting testimony in opposition to LD 2177, An Act to Update and Improve the MaineCare Reimbursement System.

The Maine Alliance for Care at Home is a network of home care, hospice, and personal care providers across our State delivering in-home care to older adults and disabled individuals of all ages, allowing them to stay in their homes and communities.

Our primary objection comes from one portion of this bill – Sec. 3 subsection 4, Funding. This language would make future rate adjustments subject to available appropriations and would give the department the authority to reduce rates, including cost of living adjustments, in proportion to “available funding,” including the ability to cancel COLAs altogether.

We understand that the department feels this language will give them the flexibility to implement partial rate increases. From our perspective, this language is extremely worrisome for home care and hospice providers across the state. It is similar to language included in last year’s budget proposal in part UU, which the Legislature rejected.

Healthcare providers across Maine need to know they can rely on stable funding, so they can budget and maintain staffing levels. COLAs and timely rate increases should be a cornerstone of our state’s healthcare workforce strategy. Unfortunately, the language proposed in LD 2177 undermines recent work done by the Legislature to provide COLAs for healthcare professionals. It also undermines the department’s statutory rate setting process, which they, the Legislature, and stakeholders worked hard to put into place.

According to the department, the goal of its rate setting statute is “to provide a clear and transparent process for MaineCare rate determinations, with opportunities for robust participation from all interested stakeholders.” We fully support that goal and have participated in the new process in good faith. But what is the point of a transparent process

if providers have no assurance that the department will actually implement outcome of the process?

As an example, we can look at the ongoing rate determination process for Home & Community Based Services. This wide-ranging process includes rates for many MaineCare sections and services, including clinical services (primarily RNs and LPNs) provided by home care agencies. These nursing services are critical to allowing Mainers to remain at home, where they are most comfortable. By offering nursing care at home, we keep medically-complex children, older Mainers, and others out of more costly hospital and long-term care settings. Currently there are thousands of hours of unmet nursing care in the home care sector each month, and this is directly tied to inadequate reimbursement rates.

Current wages for nurses in home care have fallen drastically behind market rates due to low MaineCare reimbursement rates. Current reimbursement rates for these services are based off a 2016 rate study, which utilized data from 2012-2014. Utilizing data from 2012 to reimburse for services in 2026 is completely inadequate and has led to severe workforce shortages and care deserts across the state.

The Maine Alliance for Care at Home worked on legislation to raise rates during the 129th and 130th legislative sessions, but funding was not appropriated. During the 130th session, the Legislature worked with DHHS to enact a standard statutory process for rate setting. After that, providers of home care services awaited their turn in the queue for a rate determination process. We were heartened when DHHS launched the process to examine rates for home and community based services in June 2024. Public engagement took place during the fall of 2024 and we were told to expect the process to wrap up in spring of 2025. The department initially scheduled webinars to discuss the outcome of the process in April 2025, but they later cancelled those and have not posted anything publicly about the process since that time.

We are deeply troubled that the supplemental budget proposal released last week does not contain any funding for MaineCare rate increases for home and community based services.

We think it's important for the committee to know that the statutory rate setting process is perhaps not working entirely as intended. The most critical part of the process for ensuring healthcare access across our state is implementation of new rates. To that end, the Alliance would like to offer alternative language for this section of LD 2177. We recommend language that requires the department to request funding in the next budget to implement new rates upon completion of a rate determination process and also requires the

department to finalize each process and move forward with implementation in a timely manner. Instead of opening a loophole and undermining the rate setting process, such language would instead ensure that the department proposes a budget to the Legislature that accounts for necessary rate changes. From that point, of course that budget would be subject to the appropriations process. That is the case with every dollar of spending in state government, and not something we feel needs to be specified in statutory language. We would be happy to work with the committee and other stakeholders on amendment language along these lines.

We understand that the department has a tremendous amount of work on their collective plate at the moment, and we understand the need for flexibility in statutory language to allow for smooth implementation. That said, we believe the language in this bill will weaken the rate setting process, not strengthen it.

Thank you for your thoughtful consideration of this bill.