



STATE OF MAINE
HOUSE OF REPRESENTATIVES
SPEAKER'S OFFICE
AUGUSTA, MAINE 04333-0002
(207) 287-1300

RYAN D. FECTEAU
SPEAKER OF THE HOUSE

February 26, 2026

**TESTIMONY OF SPEAKER RYAN D. FECTEAU PRESENTING LD 2208, An Act
to Offset Federal Cuts to Health Insurance for Certain Maine Families and
Seniors**

Good afternoon Senator Bailey, Representative Mathieson, and esteemed members of the Committee on Health Coverage, Insurance, and Financial Services. I am House Speaker Ryan Fecteau, and I have the privilege of representing my hometown of Biddeford.

I am here today to present LD 2208, *An Act to Offset Federal Cuts to Health Insurance for Certain Maine Families and Seniors*, which I am proud to sponsor.

As we all know, in Maine and across the country, the rising cost of health care is creating a crisis for individuals and families. Hardworking Mainers are being forced to choose between critical health care and affording other essentials like groceries, rent, or childcare. Recent federal action — including the passage of the so called “One Big Beautiful Bill Act”, otherwise known as H.R. 1 — has threatened to push this crisis to a breaking point. Cuts to Medicaid will present a significant cost to the state, and will mean that thousands of Mainers will lose vital health coverage.

On top of that, many Mainers who have enrolled in coverage through the [CoverME.gov](https://www.coverme.gov) marketplace are no longer able to afford coverage due to federal inaction on extending enhanced subsidies that, beginning in January, has resulted in premium increases in the double digits. One in three people in Maine who canceled their healthcare plans this year because they could not afford them. We know that more uninsured individuals will result in even further strain on our hospital system, where we already face unit and hospital closures, especially in more rural areas of the state.

We are just beginning to see the impacts of these changes. Now is the time to take bold action to help protect Maine residents from these attacks on our already broken health care system. That is why I put forward LD 2208, which I am calling the *One Big Beautiful Health Care Bill*, a funding bill with targeted initiatives intended to support Mainers across the health care continuum and to help our families and seniors when they need it most.

First, LD 2208 proposes a Rural Health Stabilization Fund, which would comprise \$50 million in general funds to provide grants to support rural health care services. The

amendment that was distributed Tuesday ahead of this public hearing clarifies that the intent of this fund is to complement existing funding that is geared towards protecting and restoring hospital services. Like most Mainers, I am dismayed to see hospitals closing services such as maternity care. Expecting parents should not have to worry and be anxious about traveling long distances to get the care they need during what should be a joyous moment.

The bill also proposes a Health Care Premium Stabilization fund, which targets affordability in the individual market. This fund will establish a state subsidy that is intended to replace the Enhanced Premium Tax Credits, which Congress allowed to expire beginning January 1, 2026. My intent is to mirror the eligibility and level of subsidy as established in The American Rescue Plan Act and later extended by the Inflation Reduction Act. This will enhance the level of subsidy for individuals and families below 400% of the Federal Poverty Level (or FPL), and will allow for those over 400% FPL to access subsidy if their health insurance premiums would exceed 8.5% of their monthly household income. I understand there is a wide range of cost estimates for the cost of replacing the EPTCs, so I will defer to the Office of the Health Insurance Marketplace and OFPR in determining the most accurate cost estimate to fund the subsidy.

To further address affordability for the individual and small group health insurance markets, this bill includes a one-time lump sum payment to MGARA, Maine's reinsurance program, with the aim of lowering 2027 premiums. I will note that this was drafted prior to the committee's actions on LD 519, which in part establishes an ongoing general fund appropriation to strengthen the program. I kept this section in my amendment, but I defer to the committee on whether to retain this moving forward.

Finally, LD 2208 would establish a MaineCare Federal Response Fund. This fund is intended to be used at the Department's discretion to make up for federal funding reductions to the MaineCare program due to changes in federal policy. This is not intended to fund coverage for those who are no longer eligible for MaineCare, but to continue funding MaineCare benefits as they currently stand, should federal matching funds be reduced. It also includes money set aside to assist the Department with technology improvements and the robust outreach that will be required to make sure all those who remain eligible can retain their coverage – despite the burdensome administrative requirements that will go into effect following the passage of H.R. 1.

Health care is a fundamental right. In the face of reckless cuts at the federal level, I hope we can come together to reaffirm that Maine will do everything within our power to support families, providers, and communities across the state.

I am proud to present this bill, which will make sure all Maine people can access the health care they need and deserve. Thank you for your time and your consideration of the proposal, and I would be happy to take any questions.

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Proposed by Speaker Fecteau
FOR HCIFS REVIEW 2/26/26 PUBLIC HEARING

DRAFT COMMITTEE AMENDMENT:

LD 2208, An Act to Offset Federal Cuts to Health Insurance for Certain Maine Families and Seniors

[Changes from original bill shown by strikethrough; new shown in bold italics]

Amend the bill by striking out everything after the enacting clause and inserting in its place the following:

Sec. 1. 22 MRSA §1730-B is enacted to read:

§1730-B. Rural Hospital Health Stabilization Fund Program

~~1. Program established. The Rural Hospital Stabilization Program, referred to in this section as "the program," is established within the department to provide grants to defray operating costs for health care providers and health care facilities in rural areas, including start up costs, incurred in providing inpatient, outpatient, primary, specialty or behavioral health care services to residents of the State and to stabilize the provision of existing health care services when those services are at risk of reduction or elimination. For the purposes of this section, "rural area" has the same meaning as in section 5304, subsection 18.~~

1.2. Rural Hospital Health Stabilization Fund. ~~The Rural Hospital Health Stabilization Fund, referred to in this section as "the fund," is established as a dedicated, nonlapsing fund administered by the department to support the department initiatives approved under the Rural Health Transformation Program established in the federal budget reconciliation bill, H.R. 1 (Section 71401 of Public Law 119-21), specifically those initiatives that benefit rural health providers in this State and that promote access and affordability of health care for residents of the State in rural areas for the purposes of funding the program. The department may receive money from any gift, grant, contribution, legislative appropriation, allocation or transfer or bond proceeds. The money in the fund may be used only for the purposes of awarding grants under the program described in this subsection and paying program administration costs.~~

~~3. Program eligibility. The department shall award grants from the fund, which are subject to the following conditions and limitations:~~

~~A. The health care provider or health care facility must meet state licensing requirements to provide health care services and must be an enrolled Medicaid provider that actively serves Medicaid recipients in a rural area.~~

~~B. Grants must be for at least one year and for no more than the first 5 years of operation as a newly constructed health care facility in a rural area or the operation of a new or expanded health care service in a rural area.~~

~~C. Grants must be limited to covering operating costs for which revenue is not sufficient.~~

~~D. The health care provider or health care facility must provide evidence to the department that the receipt of a grant under this section would help the health care provider or health care facility reopen services that have closed due to cost constraints or would help keep existing services open.~~

~~E. The health care provider or health care facility must provide adequate cost data, as defined by rule by the department, based on financial and statistical records that can be verified by qualified auditors. The data must be based on an approved method of cost finding and the accrual basis of accounting and be confirmed as having been delivered through review of claims.~~

~~F. Grant award amounts must be reconciled by the department to audited operating costs after the close of the grant period.~~

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G. In the case of a health care provider, the provider must commit to:

(1) A period of operation equivalent to the number of years grants are awarded; and

(2) Actively serve Medicaid recipients in a rural area throughout the duration of the grant period.

H. In prioritizing grant awards, the department must consider the health needs of the State and the locality in which the health care facility is located and long-term sustainability of the new or expanded health care service.

I. Grants from the fund may not be used for operations outside of the State.

2.4. Rulemaking. The department may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 22 MRSA §3198 is enacted to read:

§3198. Health Care Premium Stabilization Fund

1. Fund established. The Health Care Premium Stabilization Fund, referred to in this section as "the fund," is established as a dedicated, nonlapsing fund administered by the department to maintain coverage for residents of the State through the Maine Health Insurance Marketplace, established in chapter 1479, ~~Medicaid or other federal assistance programs if the federal Patient Protection and Affordable Care Act, Public Law 111-148 and 42 Code of Federal Regulations, Part 455 are repealed or are administered in a way that reduces access to comprehensive health coverage for residents of the State.~~

2. Sources of fund. The fund consists of amounts appropriated or allocated by the State. The department may receive money from any gift, grant, contribution, legislative appropriation, allocation or transfer or bond proceeds.

3. Uses of fund. The department shall use the fund to establish a state subsidy to offset the financial impact of the expiration of the enhanced premium tax credits under the American Rescue Plan Act of 2021, Public Law 117-2. The subsidy must be used to increase the amount of assistance available to those previously eligible for subsidies under the federal Affordable Care Act, Public Law 111-148 and to expand assistance to those with an income at or *above* below 400% of the federal poverty level if the recipient's *monthly* premium cost of *the second lowest cost silver health plan, as defined in section 36B(b)(3)(B) of the federal Internal Revenue Code* a silver category health insurance plan under the federal Affordable Care Act would, prior to the receipt of a subsidy under this section, exceed 8.5% of the recipient's *monthly* household income.

4. Rulemaking. The department may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 3. 22 MRSA §3199 is enacted to read:

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§3199. MaineCare Federal Response Fund

1. Fund established. The MaineCare Federal Response Fund, referred to in this section as "the fund," is established as a dedicated, nonlapsing fund administered by the department to supplement funding for the MaineCare program in the case of funding revenue shortfalls due to reductions in federal contributions that support MaineCare programs. The department may use funds in the fund to enhance program outreach and to address changes to federal requirements related to program eligibility and renewals. *The department may not use funds in the fund to expand eligibility or services under the MaineCare program.*

2. Rulemaking. The department may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 4. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
 Miscellaneous Acts and Resolves - Finance 0306**

Initiative: Appropriates one-time funding to be distributed to the Maine Guaranteed Access Reinsurance Association to increase the reinsurance program for the 2027 coverage year.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$80,000,000
	\$0	\$80,000,000
GENERAL FUND TOTAL	\$0	\$80,000,000

**ADMINISTRATIVE AND FINANCIAL
 SERVICES, DEPARTMENT OF**

DEPARTMENT TOTALS	2025-26	2026-27
GENERAL FUND	\$0	\$80,000,000
	\$0	\$80,000,000
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$80,000,000

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF
 Health Care Premium Stabilization Fund N566**

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Initiative: Provides one-time funding for the Health Care Premium Stabilization Fund.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$17,300,000
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GENERAL FUND TOTAL	\$0	\$17,300,000

MaineCare Federal Response Fund N568

Initiative: Provides one-time funding to *address reductions in federal funding for the MaineCare program* ~~offset federal cuts to health insurance for certain families and seniors,~~ with \$5,000,000 set aside that may be used for technology improvements at the Office for Family Independence and Office of MaineCare Services to implement federal policy changes. ~~The Office for Family Independence~~ *department* may also use these funds to enhance outreach to help with the rollout of new federal requirements related to eligibility and renewals.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$105,000,000
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GENERAL FUND TOTAL	\$0	\$105,000,000

Rural Health ~~Hospital~~ Stabilization Fund N567

Initiative: Provides one-time funding *to support approved department initiatives under the Rural Health Transformation Program* ~~for grants to rural health care services.~~

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$50,000,000
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GENERAL FUND TOTAL	\$0	\$50,000,000

**HEALTH AND HUMAN SERVICES,
DEPARTMENT OF**

DEPARTMENT TOTALS	2025-26	2026-27
GENERAL FUND	\$0	\$172,300,000

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DEPARTMENT TOTAL - ALL FUNDS	\$0	\$172,300,000
SECTION TOTALS	2025-26	2026-27
GENERAL FUND	\$0	\$252,300,000
SECTION TOTAL - ALL FUNDS	\$0	\$252,300,000

SUMMARY

This amendment replaces the bill. The amendment does the following.

1. It establishes the Rural Health Stabilization Program to provide funding to support the Department of Health and Human Services' approved initiatives under the Rural Health Transformation Program established in the federal budget reconciliation bill, H.R. 1 (Section 71401 of Public Law 119-21), specifically those initiatives that benefit rural health providers in this State and that promote access and affordability of health care for residents of the State in rural areas.
2. It establishes the Health Care Premium Stabilization Fund to establish a state subsidy to offset the financial impact of the expiration of the enhanced premium tax credits under the American Rescue Plan Act of 2021, Public Law 117-2, to those residents of the State that receive health care coverage under the Maine Health Insurance Marketplace who were previously eligible for subsidies under the federal Affordable Care Act.
3. It establishes the MaineCare Federal Response Fund to supplement funding for the MaineCare program in the event of funding revenue shortfalls due to reductions in federal contributions that support MaineCare programs. It provides that the funding is not intended to be used to expand eligibility or services for the MaineCare program.
4. It provides one-time funding to the Maine Guaranteed Access Reinsurance Association to increase the reinsurance program for the 2027 coverage year.