



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

Testimony in Support

February 26, 2026

Northern Light Health
Acadia Hospital
AR Gould Hospital
Blue Hill Hospital
CA Dean Hospital
Eastern Maine Medical Center
Home Care & Hospice
Maine Coast Hospital
Mayo Hospital
Mercy Hospital
Sebastcook Valley Hospital
Northern Light Health Foundation
Northern Light Medical Transport
& Emergency Care
Northern Light Pharmacy
Northern Light Work Health

Senator Bailey, Representative Mathieson and member of the Health Coverage, Insurance & Financial Services Committee, my name is Lisa Harvey-McPherson RN and I am the Vice President of Government Relation for Northern Light Health. I am here today testifying in support of this bill.

Northern Light Health organizations include 9 hospitals located in southern, central, eastern and northern Maine, nursing facilities, air and ground ambulance, behavioral health, addiction treatment, pharmacy, primary and specialty care practices and a state-wide home care and hospice program. Ninety three percent of Maine's population lives in the Northern Light Health service area. Northern Light Health is also proud to be one of Maine's largest employers with more than 10,000 employees statewide.

This bill establishes the Rural Health Stabilization Program to provide financial resources to support initiatives in the State's Rural Health Transformation Program grant award. The bill also establishes the Health Care Premium Stabilization Fund to maintain coverage for residents of the State through the Maine Health Insurance Marketplace. The final section of the bill 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. All components of this bill are needed to support access to rural healthcare services and insurance coverage to pay for care provided throughout the State of Maine.

The State of Maine Rural Health Transformation Program Project Narrative describes the financial challenges experienced by rural hospitals.

In 2023, 19 of 23 (83%) rural hospitals fell below the S&P Global threshold for adequate days cash on hand, 43% had financially vulnerable operating margins, 57% had financially vulnerable total margins, and 74% did not meet the target for adequate average age of plant. Eight of the 23 rural hospitals failed in all four benchmarks, underscoring widespread financial vulnerability. Operational responses include two hospitals converting from general acute care hospital to critical access hospital status to access higher Medicare and MaineCare reimbursements in recent years. In June 2025, Northern Light Inland Hospital, a Medicare-dependent hospital in fully rural Kennebec County, closed due to operating losses.

Financial pressures are compounded by shifts in payor composition. From 2017 to 2023, inpatient days for commercially insured patients declined by 51% across Maine's rural hospitals, while Medicaid inpatient days increased by 20%. Commercially insured outpatient visits fell 22% across Maine's rural hospitals during this time, while Medicaid visits rose 46%. Medicaid payments accounted for 16% of net patient revenues across Maine CAHs in recent years, compared with 13% for CAHs nationwide.

Northern Light Health is a rural health care system caring for Maine's most vulnerable communities and we are challenged to align our care structures and services with the revenues we receive. Financial results for Fiscal Year (FY) 2025 reflect significant improvement in our performance but still an operating loss in the millions. We ended FY 2025 with a financial loss of \$14.9 million dollars compared to a loss of \$156.3 million dollars in FY 2024. We project that we will need to work over multiple years to bring our operating margin above zero. Our challenge becomes more difficult as our hospitals will experience a significant decrease in MaineCare funding as individuals come off MaineCare coverage due to federal changes including in H.R. 1 passed by Congress last July. DHHS projects that 3000 individuals will lose coverage this fall and another 31,000 individuals in 2027. For Northern Light Health, we estimate the impact of reduced MaineCare coverage will be \$27.3 million dollars in 2027.

Leaders for Maine's health insurance exchange, CoverME.gov, estimate that as many as 8000 individuals will no longer have insurance coverage on the exchange due to the financial impact of reduced premium subsidy support. Many continuing insurance coverage are choosing bronze level plans with high deductibles. These changes will result in increased charity care and bad debt financial burdens for hospitals.

This bill provides critical financial resources to help stabilize rural hospitals as we move into a time of uncertainty and significant financial risk for health care. We ask that you support this important legislation

Thank you.