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May 5, 2021

Senator Heather Sanborn, Chair
Representative Denise Tepler, Chair
Members, Committee on Health Coverage, Insurance, and Financial Services
100 State House Station
Augusta, ME 04333-0100

Re: LD 764 - *An Act To Maintain Maine's System of Therapeutic Foster Care for Children through the Creation of a Nonprofit Risk Indemnification Trust*

Senator Sanborn, Representative Tepler, and Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services:

LD 794 is a concept draft that seeks to develop a state-funded and managed nonprofit risk indemnification trust to provide liability insurance coverage for entities "such as" state-contracted providers of therapeutic foster care that are unable to obtain affordable coverage as required by law or necessary for conducting their business. First, we would like to recognize that neither the Office of Child and Family Services or the Department of Health and Human Services have expertise in provider indemnification or liability insurance. We defer completely to our colleagues at the Bureau of Insurance and Department of Professional and Financial Regulation about the mechanisms for such a program and anticipated costs.

However, we would like to bring your attention to a few concerns about the direction of this proposal. First, if providers are seeking increased funding, it should be through a rate study and an appropriation from the Legislature to increase current payments. Second, OCFS contracts with many providers throughout the child welfare system, and the language in the concept draft is unclear as to whether this would apply just to therapeutic foster care providers or additional providers. This also opens a new door for expectations from providers who are paid by the State, and we urge the committee to carefully consider potential ramifications. Finally, we know that providers seek to provide quality care, but codifying indemnification and removing financial liability creates some concern about the impact that could have on care provided to vulnerable clients.

Thank you for the opportunity to share our concerns.

Sincerely,

A handwritten signature in cursive script, reading "Todd A. Landry", is positioned above the typed name.

Dr. Todd A. Landry
Director, Office of Child and Family Services