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Testimony on L.D. 614
Resolve, To Extend Funding to Maine Veterans' Homes during the COVID-19 Pandemic
Presented by Senator Brad Farrin
Before the Health and Human Services Committee
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Senator Claxton, Representative Meyer, and members of the Health and Human Services Committee: I am Senator Brad Farrin and I have the honor of representing the people of Senate District 3. I am pleased to be before you today testifying in support of L.D. 614, a Resolve, To Extend Funding to Maine Veterans' Homes during the COVID-19 Pandemic.

The Maine Veterans' Homes (MVH) was established by the Maine Legislature in 1977 and operates as an independent non-profit, receiving some funding from MaineCare and Medicare, just like nursing homes. The mission of MVH is to provide short and long-term care and support for Veterans and eligible family members. As has been discussed the past several years, nursing homes are struggling financially due to a combination of low reimbursement rates and an increase in the minimum wage. Not unlike Maine nursing homes, MVH has faced this same struggle.

To help address the reimbursement shortfalls, the Legislature included in the budget a one-time appropriation of \$5 million for FY19-20, FY20-21. MaineCare then submitted a plan to the Center of Medicare and Medicaid Services to obtain matching funds, but as changes were being adopted, the COVID-19 pandemic hit America and things came to a halt.

Here we are a year into the pandemic – families, businesses, nursing homes and MVH continue to struggle. As a result of the pandemic, MVH is seeing a \$1 million operating loss per month. MVH saves the State of Maine roughly \$3 million in keeping veterans off of MaineCare; however, due to reimbursement shortfalls they are being faced with significant operating losses - particularly in their more remotely located facilities.

Through this resolve, the Department of Health and Human Services will provide cost-based reimbursement for MaineCare to MVH facilities through June 2023. By that point, the pandemic and financial losses associated with it will hopefully be behind us and the new reimbursement rate will help to provide relief to the operating losses MVH is currently experiencing.