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Governor

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Commissioner



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April 20, 2021

Senator Ned Claxton, Chair  
Representative Michelle Meyer, Chair  
Members, Joint Standing Committee on Health and Human Services  
100 State House Station  
Augusta, ME 04333-0100

Re: LD 1157 – *An Act To Ensure MaineCare Reimbursement Rates for Home and Community-based Services for Persons with Intellectual Disabilities or Autism Are Adjusted in Accordance with Increases in State and Municipal Minimum Wage*

Senator Claxton, Representative Meyer, and Members of the Joint Standing Committee on Health and Human Services:

This letter is to provide information in opposition to LD 1157, *An Act To Ensure MaineCare Reimbursement Rates for Home and Community-based Services for Persons with Intellectual Disabilities or Autism Are Adjusted in Accordance with Increases in State and Municipal Minimum Wage*. This bill proposes to require the Department to adjust its reimbursement rates annually for home and community-based services (HCBS) provided to persons with intellectual disabilities or autism to account for annual cost-of-living adjustments to the minimum wage established by Title 26, section 664, subsection 1 and Title 30-A, section 3001.

The Department does not believe an increase in rates is warranted at this time. MaineCare Benefits Manual (MBM), Chapter II, Sections 12, 18, 19, 20, 21, 29, and 96 supported employment, residential and day habilitation and personal support services, the HCBS services that rely on direct care workers, staff have either received rate increases over the past year or are scheduled to receive rate increases in the next few months. Some of these increases have been proposed in the Governor's Biennial Budget proposal. The updated rates have been calculated to provide adequate reimbursement for the provision of these services, including allowances for updated wages, all of which are sufficient to cover minimum wage. to cover minimum wages for HCBS services delivered to members with intellectual disabilities or autism, and to provide adequate reimbursement for service provision. MaineCare's recently completed Comprehensive Rate Setting Evaluation (CRSE) showed that HCBS rates for these services ranged from 105% to 150% of rates for comparable services in five comparison Medicaid states.

Moreover, the CRSE recommends rebasing rates every five years, with inflation given in between each rebasing, to ensure that rates are regularly and predictably updated to maintain adequate reimbursements rates. The Department is currently reviewing the CRSE recommendations for adoption and timeline.

Regarding differentials between State and municipal minimum wage, we first note that a differential in minimum wage does not necessarily require a difference in rates. In addition, wage levels for many positions, depending on the service, are inelastic to minimum wage changes.

However, we acknowledge that changes in minimum wage may alter the reasonable cost of providing certain services. The Department is currently exploring options for how our existing systems and processes may accommodate any necessary regional differences in rates.

We wanted you to be aware of the above information as you consider this bill going forward. If you have any further questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Probert". The signature is fluid and cursive, with the first name "Michelle" and last name "Probert" clearly distinguishable.

Michelle Probert  
Director  
MaineCare Services