

April 27, 2021

The Honorable Ned Claxton
The Honorable Michele Meyer
Join Standing Committee on Health and Human Services
Maine State Legislature
100 State House Station
Augusta, ME 04333

Re: LD 1528 Resolve, Directing the Department of Health and Human Services to Adjust Reimbursement Rates for Certain Home-based Services

Dear Chairman Claxton, Chairwoman Meyer, and Distinguished Members of the Committee:

My name is Veronica Charles and I am the Director of Government Affairs at Maxim Healthcare Services, Inc. (“Maxim”). Maxim is a national provider of home healthcare, homecare, and additional in-home service options. We employ over 75 caregivers serving upwards of 40 patients throughout the state, primarily offering private duty nursing (PDN) services. As you may know, private duty nursing is continuous skilled nursing care provided in the home for medically-complex and vulnerable pediatric and adult patient populations under Medicaid, many of whom require assistive technology such as ventilators and tracheostomies to sustain life. We are also members of the Home Care & Hospice Alliance of Maine (Alliance), which represents the interests of home health providers throughout the state.

I am submitting testimony today to express the critical need for a base rate increase to Medicaid Private Duty Nursing (PDN) skilled nursing homecare services within the proposed FY2022 budget. Medicaid reimbursement rates for Licensed Practical Nurses (LPNs) and Registered Nurses (RNs) have not been increased at the same rate as surrounding states, which has placed Maine at a strategic disadvantage when attracting the skilled workforce necessary to care for the state’s most medically fragile population. We appreciate the committee members’ commitment to caring for these patients and we hope to be able to partner more closely to fulfill Maine’s patient care priorities while also caring for our state’s clinicians.

Improving the Medicaid rates for PDN will help contain costs and promote better quality of life for Mainers. The cost of sixteen hours of PDN services is approximately one-third the cost of a day in the hospital. Through reductions in avoidable hospital utilization, homecare providers keep people in their homes and communities—where they overwhelmingly prefer to be—and with appropriate skilled care support. This provides cost savings by rebalancing the state’s long-term care financing toward home and community-based services (HCBS) rather than more costly facilities or institutional settings.

Additionally, because Medicaid PDN reimbursement rates in Maine have been below that received by nurses in other settings and in other states for so long, Maine faces a constant difficulty in finding qualified caregivers due to these reimbursement challenges. Low reimbursement rates do not meet providers’ operational expenses, nor allow providers to compete in the labor market. Increasing Medicaid reimbursement rates will allow providers to provide more competitive wages and help Maine attract the most qualified caregivers to care for the state’s most complex and high-acuity children and older adults. Most notably, agencies cannot offer a fair market value wage to LPNs in this market because the Medicaid reimbursement rates are so low. LPNs are qualified clinical caregivers but when forced to choose between the nursing profession and a local grocery store

that pays the same wages, our agencies are facing a difficult time in recruiting and retaining LPNs, especially during the public health emergency. This payment disparity in LPN rates effectively removes an entire workforce modality from the home care field and from patients in the community. In surrounding states where the LPN rate is more in line with the RN rate, LPNs tend to be the backbone of the home care setting.

Raising PDN and surrounding home and community based services (HCBS) rates will help ensure that Maine providers are complying with new proposed federal mandates, adequately paying for medical supplies and equipment used for patient and client care, purchasing necessary personal protection equipment (PPE) to prevent the spread of COVID-19, and being able to afford expenditures such as rent, utilities, electronic health records systems, professional liability insurance, and health insurance for staff—all of which we home health providers struggle to do throughout the state.

Thank you for your continuous support of home health and private duty nursing services. If you have any questions, please feel free to contact me directly at 530-721-1950 or at vecharle@maxhealth.com. I would also like to offer each of the committee members the opportunity to accompany one of our caregivers on a homecare visit, when possible, so that you may learn more about the delivery of Medicaid homecare services in your respective districts.

Sincerely,

A handwritten signature in dark ink, appearing to read "Veronica Charles".

Veronica Charles, MPA
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cc:
Representative Holly Stover
Members, Joint Finance Committee