

Testimony of Mike Stair
President & CEO

In support of LD 1528:

Before the Joint Standing Committee on Health and Human Services Resolve, Directing the Department of Health and Human Services To Adjust Reimbursement Rates for Certain Home-based Services

Presented by Rep. STOVER of Boothbay

April 27, 2021

Good morning, Senator Claxton, Representative Meyer and members of the Joint Standing Committee on Health and Human Services, my name is Mike Stair. I am a resident of Cumberland and President and CEO of Care & Comfort.

Care & Comfort provides home health and behavioral health services to more than 1,500 adults, children, families and veterans across 13 counties in Maine. We have 5 offices across the state, located in Bangor, Dover-Foxcroft, Presque Isle, Waterville, and Wilton and have a fantastic, dedicated staff. We are a Licensed provider of nursing services, and I'm pleased to share with you that we're celebrating, in 2021, our 30th year in business! We look forward to serving Mainers for many, many more years.

Care & Comfort is also a member of the Home Care and Hospice Alliance of Maine, the trade group that represents Maine providers of home-based care who serve tens of thousands of older Mainers and adults with disabilities every year.

The Department indicated in last month's "MaineCare Comprehensive Rate System Evaluation Implementation Planning Report" (p.19) that providers should not expect nursing rates to be adjusted until at least SFY26 to SFY28, or for another 4 to 6 years. That means a rate study would be started in "SFY24 or later", with "6-9 months for development and completion", followed by "approximately 12-18 months for State Plan Amendments and rulemakings."

In the meantime, providers cannot hire nurses. Incentives we formerly used to attract RNs and LPNs to Home Health – like the ability to create flexible schedules – no longer work. I come to you today to share some data behind some of the numbers in LD 1528. Specifically, I'd like to help you understand the basis behind this need and to let you know where these percentages in Section 1 of the bill came from.

The nursing rates in the policy sections mentioned in part 1 of the bill were last adjusted in 2018, but the data they used came from a rate study conducted in 2015, with wages from BLS data from May, 2014. Likewise, the rest of the source data from which the current rate is comprised is from 2014 & 2015.

Wages from 2014 simply don't bring folks in the door in 2021. We won't need to worry about 2026 or 2028, providers will have long stopped offering these services by then.

So how did we reach the percentages in the bill? Simple really, as a very thorough rate study has already been done and is the basis for the current rates. We plugged BLS current data into the model and adjusted for inflation, added required costs like Electronic Visit Verification that weren't on the horizon in 2015, and effectively brought the Department's own model up to date. The result was a 38.7% increase, which we rounded to 39%. I'm happy to share any of our calculations with the Committee or analysts today or to discuss them in the work session.

In closing I'll add only that without a significant adjustment to these nursing rates, these services are simply not sustainable. We cannot hire RNs and LPNs at these reimbursement levels, and patients are going without care as a result.

I want to thank you for the opportunity to testify today. I would be happy to answer any questions.

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