



Written Testimony of Laura Cordes

Neither for Nor Against

LD 1867 *An Act to Codify MaineCare Rate System Reform*

Wednesday, February 2, 2022

Good afternoon, Senator Claxton, Representative Meyer and members of the Committee on Health and Human Services. Thank you for the opportunity to provide testimony on LD 1867 *An Act to Codify MaineCare Rate System Reform*.

My name is Laura Cordes. I am the Executive Director of the Maine Association for Community Service Providers (MACSP), the state-wide association of more than 70 organizations providing services and supports to thousands of children and adults with intellectual and developmental disabilities and brain injuries to live, work and thrive in communities across our state.

I want to acknowledge and applaud the Department for its multi-year effort and work towards the creation of a rate setting system designed to be efficient, consistent, and fair, and that supports the development of rates that can support and ensure access to the many MaineCare services that thousands of Mainers need and depend on.

Codifying a rate setting system in statute is a significant step forward for our state. It will put in place a rate setting system and evaluation process for future administrations to follow and help provide long overdue system clarity and transparency.

The overwhelming number of IDD service providers depend solely upon Mainecare reimbursement in order to serve, support and care for our states most vulnerable citizens. We do not have private market health insurance rates and reimbursement to buffer the losses in Mainecare services. Rates, how they are built, their specific components, as well as their schedule for adjustments and assumptions that make up their methodologies, are vitally important to our network of providers.

As on the ground experts in the service delivery models that the state promotes and works to maintain, it is also important that we have a role in helping the state to understand the real “cost of doing business” and how Maine is different from other states that they may look at for benchmarking IDD services.

We believe that the codification of a rate setting system is needed and support the intent of this bill. We are supportive of the annual COLA increase. We have concerns however regarding some components of the bill as written and respectfully ask the committee to consider the following suggestions:

Include an exceptions and appeals process so that providers can request a rate review or appeal a new rate to address new or emergent circumstances that would impact access to service. Last year this committee considered, LD 652, *An Act To Include an Emergency Reimbursement Rate Review Process in Rate Setting by the Department of Health and Human Services* which would have established a process for emergency reimbursement rate review to be used at times of extraordinary circumstances. For example, MaineCare providers have no recourse to address local minimum wage or labor requirements

which put the ability to maintain cost of and thus the access to services at risk. Such a provision is still needed and we appreciate this committee's request last year that the Department establish such a process, and ask that one be added to this bill.

Include a provision for the Department to maintain a centralized online location for the posting of all MaineCare rates by service code and the following information: rate amount, target date for next evaluation and non-COLA adjustment, % increase of last COLA adjustment, an indication of whether the rate is tied to a benchmark or a rate study, as well as a link to the rate's methodology. Ongoing access to this information will further the goals of transparency for all stakeholders including providers and potential providers of these services who need access to basic information on MaineCare rates and methodologies.

Establish a stakeholder process for determining whether a rate should be subject to change based on a rate study or benchmarking. We are very concerned about the state using benchmarks from other states as a sole source of rate determination for IDD services. The structure of IDD services and supports vary widely from state to state. Many states have lower overall costs for these services because they have a high number of institutions. This runs counter to Maine's commitment to non-institutionalized settings and the ongoing development of diverse and individualized supports and settings. We join others in suggesting that the committee consider a formalized process for stakeholders to provide input into the adoption of benchmarking for specific MaineCare services.

Amend Section 2 A. to require rulemaking for changes to rate methodology regardless of determining factor. MACSP encourages the committee to add "or any reason otherwise" to Section 2 A. of the proposed bill:

10 2. Rulemaking for rate adjustments. Rulemaking for MaineCare provider

11 reimbursement rates must adhere to the following.

12 A. Changes to rate methodology based on a rate study or resulting from the

*13 incorporation of a value-based payment model, or any reason otherwise,
are subject to adoption through*

14 rulemaking in accordance with the Maine Administrative Procedure Act.

Last summer without notice, the Department replaced a longstanding rate methodology for Sec. 21 Agency Home Support service *without* stakeholder notice or input, or the use of a new rate study. This change has resulted in a 40% cut to program costs, and will result in a significant shortfall in the amount needed to meet the intention of the 125% minimum wage increase passed by the legislature last year for thousands of direct support professionals. As written, the factors that led the Department to change this rate methodology fall outside the provision and would allow the Department to take similar action without stakeholder notice or input. We encourage the committee to adopt language that ensures rulemaking for any change to rate methodology.

Establish a Provider Advisory Group in addition to the Technical Advisory Group.

Section 4 of this bill would create a *MaineCare Rate Reform Expert Technical Advisory Panel* made up of various state agency representatives. While we support the creation of this advisory panel we see a need for the state to utilize the expertise of provider organizations as well to provide input in the state's new rate setting system.

Thank you for your time and consideration. Please reach out with any questions you may have.