



March 22, 2021

Hon. Craig Hickman, Senate Chair
Hon. Mike Sylvester, House Chair
Joint Standing Committee on Labor & Housing
c/o Legislative Information Office
100 State House Station
Augusta ME 04333

RE: L.D. 607, An Act To Restore Overtime Protections for Maine Workers

Dear Senator Hickman and Representative Sylvester:

I am writing on behalf of Spectrum Healthcare Partners (“Spectrum Healthcare”) in opposition to L.D. 607, An Act To Restore Overtime Protections for Maine Workers. Spectrum Healthcare is Maine’s largest physician-led, multispecialty practice group, employing more than 600 people in clinical and non-clinical capacities. Spectrum Healthcare provides one or more of its specialty services throughout most of the State of Maine, and is both a MaineCare provider and a Medicare provider participant.

Spectrum Healthcare provides its employees with a total rewards program that includes a competitive compensation package along with an extensive offering of company-sponsored benefits. The total rewards program is designed to attract, motivate, and retain talented employees who drive the organization’s success. Our compensation philosophy is to provide base salaries that meet market benchmarks and, for many positions, provide opportunities for employees to earn incentive pay and bonuses. In addition, we offer a robust benefit package which includes:

- **a robust healthcare insurance benefit:** *Spectrum Healthcare Partners pays 80% of the health insurance premium for our employees and their families*
- **an HSA benefit:** *Spectrum matches up to \$3,000 per year to the employee’s Health Savings Account*
- **a generous Paid Time Off benefit.**
- **voluntary company-paid wellness programs.**
- **a national award-winning 401K plan:** *Spectrum matches 4% of the employee’s contribution to the 401(k) plan; Additionally, Spectrum contributes an amount equal to 6% of employee’s total compensation as profit sharing to the employee’s 401(k) account. This combined benefit represents an additional 10% of total compensation.*

If LD 607 is enacted, Spectrum Healthcare would be placed in the unfortunate position of having to choose between two undesirable options: 1) scale back the non-base salary compensation and benefits we currently offer to our employees to compensate for the additional cost in salaries for the employees who will be impacted

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by this legislation; or reclassify some of our positions as non-exempt. Spectrum Healthcare must remain competitive in regional and national markets. If the cost of base salaries for the affected employees increases beyond what it would typically allocate for annual increases, then the amount available for other benefits, including health insurance, retirement benefits and PTO, would decrease for everyone, including those affected by this legislation.

On the other hand, the alternative of reclassifying some of the positions as non-exempt has associated consequences as well. First, there are reasons why those positions were designated as exempt in the first place. The nature of the particular position requires that the employee must, at times, work more than forty hours, or be available after hours. But if the position is reclassified as non-exempt, then that employee can no longer legally be available by phone, or via email, after the normal workday. Second, for many employees, the classification as an exempt employee is not “just about the money.” Reclassification of exempt employees to non-exempt status has been demonstrated to have a negative effect on morale. Many employees view being classified as exempt to be a status symbol and would be disappointed if their positions were changed to a non-exempt or hourly status.

L.D. 607 would result in Maine’s compensation benchmark for exempt status being one of the highest in the nation. Maine’s current minimum salary requirement already exceeds the federal benchmark by a substantial amount. Maine cannot afford to widen the gap further and thereby exacerbate the competitive disadvantage at which Maine employers are already placed.

We strongly urge the Committee to vote Ought Not to Pass on L.D. 607.

Thank you for your consideration of these comments.

Sincerely yours,



David B. Landry
Chief Executive Officer

Cc: Senator Stacey Guerin
Senator Dave Miramant
Representative Dick Bradstreet
Representative Scott Cuddy
Representative Gary Drinkwater
Representative Traci Gere
Representative Joshua Morris
Representative Sarah Pebworth
Representative Dwayne Prescott
Representative Amy Roeder
Representative Sophia Warren