



April 24, 2023

Hon. Michael Tipping, Senate Chair  
Hon. Amy Roeder, House Chair  
Joint Standing Committee on Labor & Housing  
c/o Legislative Information Office  
100 State House Station  
Augusta ME 04333

RE: L.D. 513, An Act Regarding Overtime Protections for Certain Maine Workers

Dear Senator Tipping and Representative Roeder:

I am writing on behalf of Spectrum Healthcare Partners (“Spectrum Healthcare”) in opposition to L.D. 513, *An Act Regarding Restore Overtime Protections for Certain 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 513 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 by this legislation; or reclassify some of our positions as non-exempt. Spectrum Healthcare must

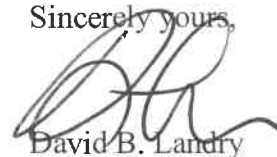
remain competitive in regional and national markets. If the cost of base salaries for the affected employees increases beyond what it would typically allocate for annual increases, then the amount available for other benefits, including health insurance, retirement benefits and PTO, would decrease for 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. 513 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. 513.**

Thank you for your consideration of these comments.

Sincerely yours,



David B. Landry  
Chief Executive Officer

Cc: Senator Matthea Daughtry  
Senator Matthew Pouliot  
Representative Dick Bradstreet  
Representative Gary Drinkwater  
Representative Joe Galletta  
Representative Valli Geiger  
Representative Traci Gere  
Representative Marc Malon  
Representative Ronald Russell  
Representative Charles Skold  
Representative Mike Soboleski