

# MaineHealth

**Testimony of Katie Fullam Harris  
MaineHealth  
In Opposition to Sections of LD 42  
The Proposed Supplemental Budget  
Before the Joint Standing Committees on Appropriations and Financial Services and  
Health and Human Services  
January 26, 2021**

Senator Breen, Representative Pierce, Senator Claxton, Representative Meyer and distinguished members of the Joint Standing Committees of Appropriations and Financial Services and Health and Human Services, I am Katie Fullam Harris of MaineHealth, and I am here to testify in opposition to two specific reductions in the proposed Supplemental Budget.

MaineHealth is Maine’s largest integrated non-profit health care system that provides a full continuum of health care services to the residents of eleven counties in Maine and one in New Hampshire. Our scope of services range from primary and specialty physician services to behavioral health care and community and tertiary hospital care, home health care and a lab.

During the pandemic, MaineHealth’s hospitals have played a vital role in caring for patients with COVID-19. As of the beginning of January, our nine MaineHealth acute care hospitals have treated over 62% of the hospitalized COVID-19 patients statewide. As part of our mission of “Working Together So Maine’s Communities are the Healthiest in America,” we are now fully engaged in leading the effort to vaccinate the residents of the counties we serve. This is a massive undertaking, and one that is requiring the redeployment of limited staff and resources across our system.

At the same time that MaineHealth has gone “all in” to meet our goal of helping Maine people get through the pandemic – we adopted the slogan of “We are in this until we win this,” we have sustained challenging economic losses. **In FY ’20, MaineHealth finances were unfavorably impacted by \$110 million –net of federal and state support.** We significantly cut back on services during the first surge, labor costs have escalated during the pandemic, and needed supplies, such as Personal Protective Equipment, increased dramatically in price. Now, during the second surge, we are trying to balance maintaining services for our patients and caring for even higher numbers of patients with COVID-19. Yesterday, we had 98 patients with COVID-19 being cared for in our hospitals.

Maine’s hospitals can ill afford any reductions in revenue. We recognize that, like our hospitals, the State of Maine is also experiencing challenging financial times. However, the reduction to the 340B program that is included in the Supplemental Budget will directly affect the very hospitals that are committing scarce resources to addressing the pandemic. The 340B program is

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critical in helping us provide access to care to vulnerable Mainers, including our rural communities. The proposed reduction represents a cut of over \$3.1 million annually to MaineHealth, and it is one that we can ill afford, particularly right now.

In addition to our opposition to the 340B reduction, I will add two points:

1. We share Northern Light's concerns related to the cut to the nursing facility bed hold payments;
2. Access to behavioral health services in Maine continues to deteriorate. Though this is a supplemental budget and I'm sure that we will discuss in more detail during the biennial budget hearing, it is worth noting that we are facing increasing challenges in the behavioral health service realm, and particularly with increases in people getting stuck in our hospital emergency departments due to lack of access to appropriate treatment options.

We appreciate the Governor's leadership in submitting a budget that does not make major changes during this challenging time. However, we also feel strongly that Maine's health systems must be held harmless as they face ever more challenging times in helping Maine get to the other side of the pandemic. The 340B program is vital to helping us meet our goal of providing affordable access to high quality care for the communities we serve.

Thank you for your consideration, and I would be happy to answer questions.