

## MaineHealth Local Health Systems

Franklin Community  
Health Network  
LincolnHealth  
MaineHealth Care At Home  
Maine Behavioral Healthcare  
Memorial Hospital  
Maine Medical Center  
Mid Coast-Parkview Health  
NorDx  
Pen Bay Medical Center  
Southern Maine Health Care  
Synernet  
Waldo County General Hospital  
Western Maine Health

## Part of the MaineHealth Family

MaineHealth Accountable  
Care Organization

## MaineHealth Affiliates

MaineGeneral Health  
New England Rehabilitation  
Hospital of Portland  
St. Mary's Health System

## Testimony of **Katie Fullam Harris** in Qualified Support for **LD 1867, “An Act to Codify MaineCare Rate System Reform”**

Senator Claxton, Representative Meyer and distinguished members of the Joint Standing Committee on Health and Human Services, I am Katie Fullam Harris, Chief Government Affairs Officer for MaineHealth, and I am here to offer qualified support for LD 1867, “An Act to Codify MaineCare Rate System Reform.”

MaineHealth is an integrated non-profit health care system. We provide a full continuum of health care services to the residents of eleven counties in Maine and one in New Hampshire, including a continuum of behavioral health services. Every day, MaineHealth’s over 22,000 employees are committed to fulfilling our vision of “working together so our communities are the healthiest in America.” One important way that we seek to achieve that vision is by providing access to all needed care, regardless of a patient’s ability to pay.

LD 1867 represents an important step forward in developing a more sustainable system of services to support our vulnerable populations that rely upon MaineCare to support needed health care services. As this Committee has experienced, the current system, which has allowed some MaineCare rates to languish without an increase in over a decade, has resulted in the dismantling or decreased access to some services, and increased burden on private payors for others.

For example, neither inpatient rates for hospital services nor many behavioral health rates have been updated in a decade. This creates a scenario in which increased cost shifting is required by providers that are able to cost shift to other payors, such as hospitals, and those providers that rely more heavily on Medicaid to meet their budgets are forced to reduce or close services altogether. For example, in spite of recent rate increases, Maine Behavioral Healthcare lost \$600,000 providing the service in the first quarter alone. That loss speaks to the importance of adopting methodology that factors in the cost of labor and other inputs out of our control. We are hopeful that codifying a process to review and update rates will ensure that MaineCare rates will sustain the actual cost of providing services and prevent such cost shifting and crisis points in access to care in the future.

While we support the goal of the bill, we do have several important suggestions based on our experience with the process thus far that would ensure its efficacy in the future.

1. The bill speaks broadly to benchmarks and methodology, but without specificity about what will be adopted. We generally agree that adoption of such principles and processes makes sense, and we further believe that providers should have input into these elements of the rate review process, and suggest that major substantive rulemaking be used to identify the rate development principles and processes in Section 1 of the bill.
2. Should providers have input into the benchmarks and methodology used to develop rates, we are comfortable that rate adjustments be made through routine technical rules.
3. However, should a provider(s) have concerns with such a rate adjustment, the bill provides no appeals process or opportunity for a provider to seek relief. We feel strongly that an appeals process is needed to ensure that there are not unintended consequences from such rate changes.

Thank you for the opportunity to provide comments on this proposal. While we support the general direction to codify a process for rate review and rate setting, we also believe that the process must include checks and balances to ensure that we maintain – and hopefully enhance – access to needed health care services in the future.