

Testimony of Katie Fullam Harris
MaineHealth
On LD 1001
The Governor's Proposed Biennial Budget
Before the Joint Standing Committees on Appropriations and Financial Services and
Health and Human Services
March 5, 2019

Senator Breen, Representative Gattine, Senator Gratwick, Representative Hymanson 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 support of some parts of the budget and with concerns about others.

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 behavioral health care to high-end inpatient and surgical services, home health care and a lab. As part of our mission of "Working Together So Maine's Communities are the Healthiest in America," MaineHealth's local health systems are committed to providing access to health care services to all patients, regardless of their ability to pay.

We applaud Governor Mills and her staff for putting forth a budget that makes important investments in public health. Areas of specific interest to MaineHealth include:

- Support for MaineCare expansion
- Increased funds to support tobacco cessation
- Continuation of funds that support treatment for individuals with opioid use disorder.

MaineCare expansion

MaineHealth first testified in support of MaineCare expansion in 2013. At the time, our testimony noted that "by 2019, MaineHealth's member and affiliate hospitals will have contributed \$323,000,000 in reduced Medicare payments to support the Patient Portability and Affordable Care Act." The ACA reductions were realized, yet the offset that hospitals were supposed to experience through an expansion of eligibility for Medicaid did not occur until just this year. And Maine's local health systems – and the patients they serve – have struggled as a result.

To illustrate, I have attached a chart that shows the operating margins for Maine's hospitals over the last seven years. The negative financial picture faced by most of Maine's rural hospitals has been impacted by the State's failure to expand MaineCare. MaineCare expansion will not solve

the challenges faced by our rural hospitals, but it will have a positive impact on a very challenging financial situation faced by these hospitals and the patients and communities they serve.

We would note that we continue to believe that the MaineCare program must be carefully managed to ensure its ongoing sustainability. We look forward to working with the Department to identify strategies to provide the most effective and efficient care to this vulnerable population.

Hospital Tax

The budget includes a rebase of the hospital provider tax. As a nonprofit health care system, we have concerns about the use of provider taxes to draw down federal funds, particularly when the corresponding match is not sufficient to cover the tax. This bill includes an increased tax of approximately \$13.3 million annually, with a budgeted match of \$10.8 million. While the \$2.5 million difference may not be a large amount, our rural hospitals can ill afford any additional uncompensated expenditure.

Increased Tobacco Funds

MaineHealth has long supported efforts to reduce the utilization of tobacco products. As a health system that invests every day in our vision of “Working together so our communities are the healthiest in America” and part of that work includes screening and counseling patients and providing tobacco education and cessation treatment. In spite of the efforts of Maine’s health systems and others, tobacco remains the leading cause of preventable death and disability in Maine – causing over 29% of cancer deaths and \$811 million in annual costs. And the advent of E-cigarettes has created a new avenue of addiction, particularly among our youth. In fact, there was a 78% increase in e-cigarette use among US youth in just one year – between 2017-2018. Given the highly addictive nature of the nicotine in e-cigarettes, this represents an alarming statistic. Government must appropriately play a role in addressing this public health issue, and we strongly support the inclusion of \$10 million in funds over the biennium to support tobacco cessation efforts that is included in the Governor’s proposed budget.

Support to Combat the Opioid Crisis

Over the last three years, MaineHealth has invested millions of dollars in the development of a comprehensive strategy to address the opioid crisis. Elements of our work include prevention: we have reduced the prescribing of opioids by more than 50%; Education: we have developed

internal and external educational tools, including fact sheets and ongoing training for our providers; and treatment: we developed a model that provides access to evidence-based treatment in each of our local health service areas across Maine and New Hampshire. In FY '18, we served 1,056 patients in this model, which included comprehensive treatment such as primary care and screening for complications such as hepatitis and HIV.

Though our system has invested its own resources in this effort, we have been under-resourced. With 40% of these patients uninsured, Medicaid expansion will certainly help. But more must be done. We are pleased that the Governor has made this issue a top priority, and we fully support the inclusion of \$5.5 million in this budget. One note, however: we suggest that the funds be expanded to reflect substance use disorder, and not limited to opioid use disorder. We are finding that an increasing number of patients are poly-substance users, which creates challenges when treatment and prevention funds are limited to opioids.

Thank you for the opportunity to testify, and I would be happy to answer questions.