

MaineHealth

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Organizations:**

Franklin Community Health
Network
LincolnHealth
MaineHealth Care At Home
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Maine Medical Center
NorDx
Pen Bay Medical Center
Southern Maine Health Care
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Waldo County General Hospital
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MaineHealth Accountable Care
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MaineHealth Affiliates:

MaineGeneral Health
Mid Coast-Parkview Health
New England Rehabilitation
Hospital of Portland
St. Mary's Health System

**Testimony of Sarah Calder
MaineHealth**

In Strong Support of LD 1778

**“Resolve, Regarding Medicaid Reimbursement for
Rehabilitation Hospitals”**

February 6, 2018

Senator Brakey, Representative Hymanson and Distinguished Members of the Joint Standing Committee on Health and Human Services, I am Sarah Calder, Director of Government Affairs at MaineHealth, and I am here to testify in support of LD 1778, Resolve, Regarding Medicaid Reimbursement for Rehabilitation Hospitals.

MaineHealth is Maine’s largest integrated non-profit health care system that provides the full continuum of health care services to the residents of eleven counties in Maine and one in New Hampshire. As part of our mission of “Working Together So Maine’s Communities are the Healthiest in America,” MaineHealth is proud to partner with the New England Rehabilitation Hospital of Portland (NERHP), a joint venture of Maine Medical Center and HealthSouth, and the only free-standing acute rehabilitation hospital in Maine.

As you may know, the Department of Health and Human Services (DHHS) updated the provider tax program in 2017 to base the federal match not just on a hospital’s Medicaid inpatient census, but on a mix of a hospital’s Medicaid inpatient and outpatient census. This change was budget neutral; however, the change unintentionally hurt one hospital in the state of Maine – NERHP – because the hospital does not have Medicaid outpatient volume. The current loss to NERHP is \$100,000, but will increase to \$500,000 per year as a result of the rule change.

LD 1778 provides a solution to this unintended consequence with no financial impact to the State of Maine. This legislation would require DHHS to adjust NERHP’s reimbursement rate from 55 percent of the Medicare rate to approximately 75 percent of the Medicare rate to mitigate the loss as a result of the rule change. Again, this change is budget neutral.

For those reasons, I urge the Committee to vote Ought to Pass on LD 1778 and ensure that the New England Rehabilitation Hospital of Portland can continue to care for our communities. Thank you and I would be happy to answer any questions you may have.