



**Written Testimony of Jess Maurer on Behalf of
the Maine Council on Aging
To Committee on Health and Human Services**

**In Favor of LD 652 - An Act To Include an Emergency
Reimbursement Rate Review Process in Rate Setting by the
Department of Health and Human Services**

Delivered in writing March 22, 2021

Greetings, Senator Claxton, Representative Meyer, and members of the Joint Standing Committee on Health & Human Services:

My name is Jess Maurer. I'm the Executive Director of the Maine Council on Aging (MCOA). The MCOA is a broad, multidisciplinary network of more than 100 organizations, businesses, municipalities, and older Mainers working to make sure we can all live healthy, engaged, and secure lives with choices and opportunities as we age in our homes and communities. I am testifying in favor of LD 652. I wish I could be there in person today to start this important conversation with you in person. Unfortunately, I have a conflict.

It is highly laudable that the Department of Health & Human Services (DHHS) is attempting to establish a rate setting process to fix what is currently a complex, inconsistent, and inefficient system. We heard several critical pieces of information relevant to this bill last week from MaineCare Director Probert when she updated this Committee and the Appropriations Committee about the Rate Setting Study Recommendations.

First, we heard that the Rate Setting Study did not take into account an analysis of our workforce shortage and the impact it is having on wages in Maine. We heard it didn't compare what Maine people are paying out of pocket for comparable services. We also heard that this study is meant to be a snapshot in time that helps DHHS understand what rates need to be modified and what rates can wait. We heard that the study did take into account wait lists for services. Finally, we heard that the report recommends putting personal care services at the bottom of the priority list, and that rates for Personal Support Specialists (PSS) will not be reviewed until 2025.

Given these issues, there can be little doubt that there must be a provision in statute that creates extraordinary circumstance allowances for rate reviews for these and other services.

Maine's workforce shortage is causing significant and pervasive challenges for every industry in Maine. With fewer workers, private industry is competing for these workers by paying higher wages, offering more benefits, offering sign-on incentives, and creating flexibility in positions.

All of these are reasonable responses to intense competition for the same limited pool of workers. As we all know, though, employers who are reliant on rates paid by the State for providing services to MaineCare members are at a competitive disadvantage for workers if the rates paid are not set in consideration of market forces and amounts being paid for the same service on the private market.

We have heard from home care, adult day services, homemaker and facility care employers that they are employing all of the staff they are able to with the amounts they are being reimbursed for the services. They are exhausting every opportunity to hire more workers, but they simply cannot compete with the private market for workers.

Put another way, employers who serve older MaineCare members are operating at their full capacity in relation to the labor they are able to hire with the amount being reimbursed for the services. This means the people who are currently enrolled in these services who are not being staffed have no hope of being staffed in the future. As the labor market becomes tighter as we reopen, this will only mean that these employers will lose more workers to other industries, and the number of unstaffed people entitled to services will grow.

At the very least, this means we must have a mechanism for these employers to ask for an emergency rate review. However, we believe that this bill does not go far enough to ensuring that people who are entitled to services are receiving those services. Specifically, we believe the trigger for an emergency rate review should be based on a percentage of people under a MaineCare section who are going without staff, and that the rate setting methodology used for this review should be what needs to be paid to make these employers competitive to hire sufficient staff to serve the people who are entitled to services.

Last week, checking in with only one care coordination agency, there were 75 older people in the Section 19 waiver who had no PSS staffing, and 129 who had partial PSS staffing. To qualify for Section 19 Home Based Care, you must be nursing home eligible. How can we say that PSS rates do not have to be reviewed for five years when this many older, nursing home eligible people are not getting the home care they need?

In looking at whether rates set by the state are appropriate, the federal government will look to whether they are economical, efficient, and incent quality of care. There can be no doubt that providing home care is more economical and efficient than providing nursing home care. We can certainly all agree that no care is in no way quality care.

The way we pay for essential care work in Maine is broken, and we must fundamentally change it. While this bill is not the proper vehicle for that conversation, at a minimum, we can create an extraordinary circumstance allowances for rate reviews based upon the number of unserved or underserved MaineCare members.

Thank you for your consideration.