

**Testimony In Support of
LD 1758
An Act to Clarify and Amend MaineCare Reimbursement Provisions for
Nursing and Residential Care Facilities**

**Wanda Pelkey, CPA
Chief Financial Officer
First Atlantic Healthcare**

Good afternoon Senator Gratwick, Representative Hymanson, and members of the Health and Human Services Committee. My name is Wanda Pelkey, I'm the Chief Financial Officer for First Atlantic Healthcare in South Portland and I'm testifying in support of LD 1758. In testifying today, I represent our 1,400 residents throughout Maine, their families and our 1,500 employees. Most of our nursing facilities were nationally recognized this year by US News and World Report as "High Performing" and among the "Best Nursing Homes in America". So I come before you today not only as the CFO at one of Maine's largest employers but also representing a group of homes providing best-in-class long-term care.

I'm grateful to Senate President Jackson and other members of the legislature for supporting our frail elderly and their caregivers last year to pass LD 925. I also thank him for sponsoring this bill which clarifies language in LD 925 thereby guiding DHHS for its full implementation. I realize this bill's language is daunting. In some ways it reads as a red-lined version of the original LD 925, and Rick Erb will detail the changes our facilities seek through your support of this bill. I'm here to give perspective about our current dilemma.

In short, why are so many nursing homes closing?

The answer is easy, the solution is not, and thus it proves a devilish dilemma – what does a facility do when costs are not supported with enough revenue? Our operating licenses come with loads of regulation designed to ensure good care and safety for our residents. It's not a complaint, yet it does require an inescapable expense burden. Here's a sampling of those:

- Staffing levels adequate to ensure quality care
- Health insurance coverage for full time employees
- Set levels for licensed nurses in our staffing ratios
- Routine care – 365 days a year – meals, laundry, housekeeping and so on

It's all good until costs escalate faster than our payment rate increases. Here's a sampling of what our company faces now:

- Worker shortages that would leave 25% of direct care shifts empty if we didn't resort to expensive contract labor and overtime hours
- A 17% cost increase in health insurance premiums starting August 1 costing \$1.1 million
- Minimum wage rate hikes that next January will impact **half** of my 1,500 employee workforce
- Mainecare rates without ANY inflation beyond the end of 2017

Last year, our year over year direct care labor costs rose 8%. Meanwhile we received **no MaineCare inflation adjustment** to fund. Further DHHS left out contract labor costs in LD 925's Supplemental Wage Allowance calculations due to imprecise language in the bill.

Is it any wonder 7 facilities closed in the last twelve months??

For me this "revenues must be greater than expense" equation is unsolvable. McDonald's can raise its \$1 menu to a \$2 menu overnight. Not me. As nearly 70% of our residents are MaineCare supported, reimbursements must increase in step with allowable costs. Otherwise the rising tide of expenses will drown many more of us – it's that simple and it happens quickly. When we run out of money, there are many losers and no winners. More 100 year old persons displaced, more community jobs lost, and more stressed municipal budgets.

Honestly I don't know how to solve the dilemma without your support and passage of LD 1758. Thank you for your service to the HHS Committee and your time today. I'm happy to answer your questions.



First Atlantic HealthCare Nine Best, Two Above Average, Two Average

Colonial Health Care

34 Workman Terrace Street, Lincoln, ME 04457

Best Nursing Home

Colonial Health Care in Lincoln, ME, has an overall rating of Overall rating. It is a small facility with 60 beds and has for-profit, corporate ownership. Colonial Health Care is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

High Performing [more](#) Average [more](#)

Talk to an Advisor

Falmouth by the Sea

191 Falmouth Rd, Falmouth, ME 04105

Best Nursing Home

Falmouth by the Sea in Falmouth, ME, has an overall rating of Overall rating and has for-profit, corporate ownership. Falmouth by the Sea is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

High Performing [more](#) High Performing [more](#)

Talk to an Advisor

Hawthorne House

6 Old County Rd, Freeport, ME 04032

Best Nursing Home

Hawthorne House in Freeport, ME, has an overall rating of Overall rating. It is a small facility with 40 beds and has for-profit, corporate ownership. Hawthorne House is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

High Performing [more](#) High Performing [more](#)

Katahdin Nursing Home

22 Walnut Street, Milbrook, ME 04460

Best Nursing Home

Katahdin Nursing Home in Milbrook, ME, has an overall rating of Overall rating and has for-profit, corporate ownership. Katahdin Nursing Home is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

High Performing [more](#)

Talk to an Advisor

Woodlawn Rehabilitation & Nursing Center

59 West Front St., Skowhegan, ME 04976

Woodlawn Rehabilitation & Nursing Center in Skowhegan, ME, has an overall rating of Overall rating. It is a small facility with 46 beds and has for-profit, corporate ownership. Woodlawn Rehabilitation & Nursing Center is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

Average [more](#) Average [more](#)

Talk to an Advisor

Seaside Rehabilitation & Health Care

850 Baxter Boulevard, Portland, ME 04103

Best Nursing Home

Seaside Rehabilitation & Health Care in Portland, ME, has an overall rating of Overall rating. It is a large facility with 137 beds and has for-profit, corporate ownership. Seaside Rehabilitation & Health Care is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

High Performing [more](#) Average [more](#)

Talk to an Advisor

Marshall Health Care and Rehabilitation

16 Beal Street, Machias, ME 04854

Best Nursing Home

Marshall Health Care and Rehabilitation in Machias, ME, has an overall rating of Overall rating. It is a small facility with 64 beds and has for-profit, corporate ownership. Marshall Health Care and Rehabilitation is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

High Performing [more](#) High Performing [more](#)

Talk to an Advisor

Hibbard Skilled Nursing & Rehabilitation Center

1037 West Main Street, Dover-Foxcroft, ME 04426

Hibbard Skilled Nursing & Rehabilitation Center in Dover-Foxcroft, ME, has an overall rating of Overall rating. It is a medium facility with 93 beds and has for-profit, corporate ownership. Hibbard Skilled Nursing & Rehabilitation Center is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

Average [more](#) Average [more](#)

Talk to an Advisor

Seaport Village Healthcare

19 General Moore Way, Ellsworth, ME 04605

Seaport Village Healthcare in Ellsworth, ME, has an overall rating of Overall rating. It is a small facility with 61 beds and has for-profit, corporate ownership. Seaport Village Healthcare is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

Better than Average [more](#) Average [more](#)

Talk to an Advisor

Ross Manor

756 Broadway, Bangor, ME 04401

Best Nursing Home

Ross Manor in Bangor, ME, has an overall rating of Overall rating. It is a medium facility with 103 beds and has for-profit, corporate ownership. Ross Manor is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

Better than Average [more](#) High Performing [more](#)

Talk to an Advisor

Seal Rock Health Care

88 Harbor Drive, Saco, ME 04072

Best Nursing Home

Seal Rock Health Care in Saco, ME, has an overall rating of Overall rating. It is a medium facility with 105 beds and has for-profit, corporate ownership. Seal Rock Health Care is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

Better than Average [more](#) High Performing [more](#)

Talk to an Advisor

Dexter Health Care

64 Park Street, Dexter, ME 04930

Dexter Health Care in Dexter, ME, has an overall rating of Overall rating. It is a small facility with 53 beds and has for-profit, corporate ownership. Dexter Health Care is not part of a continuing care retirement community. It participates in Medicare and Medicaid. [more](#)

Average [more](#) Average [more](#)

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