

 **MaineHealth**



Our Brave New World

The Impact of Health Policy Changes
September 27, 2025

Government Affairs

Health Care at a Crossroads

- *Context*
- *Reconciliation*
- *What's Ahead*
- *How You Can Respond*



A Little Background: My Why



PATIENT CENTERED RESPECT INTEGRITY EXCELLENCE OWNERSHIP INNOVATION

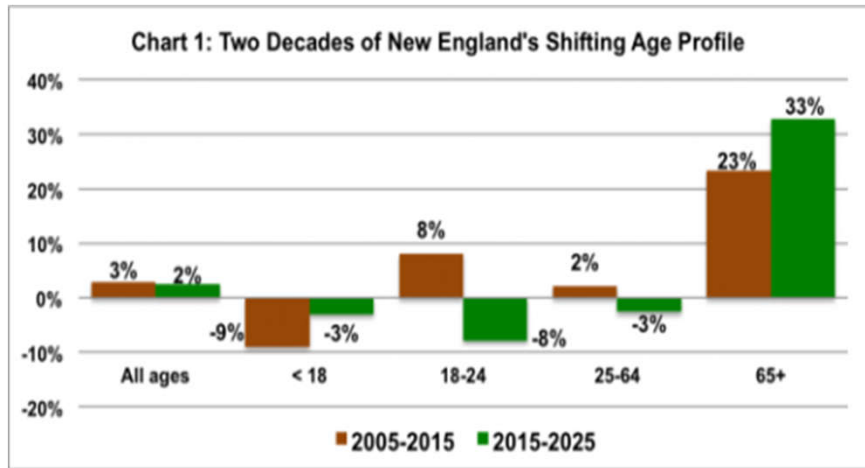
Words of Wisdom

- *"Times and conditions change so rapidly that we must keep our aim constantly focused on the future" Walt Disney*



PATIENT CENTERED RESPECT INTEGRITY EXCELLENCE OWNERSHIP INNOVATION

New England's Aging Population



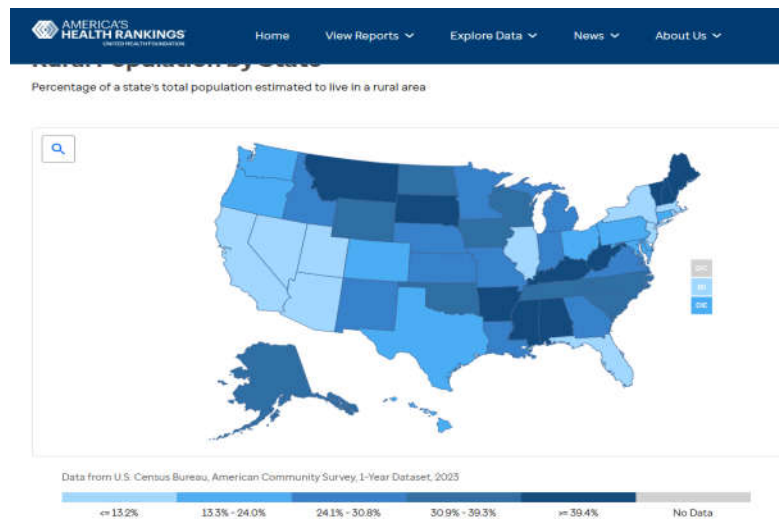
Maine, New Hampshire and Vermont are the oldest states in the nation. All NE states are in top 20.

Sources: Worldpopulationreview.com



PATIENT CENTERED RESPECT INTEGRITY EXCELLENCE OWNERSHIP INNOVATION

We are Rural



1. Vermont – 66.1%
2. Maine – 61.5%
7. New Hampshire – 42.4%



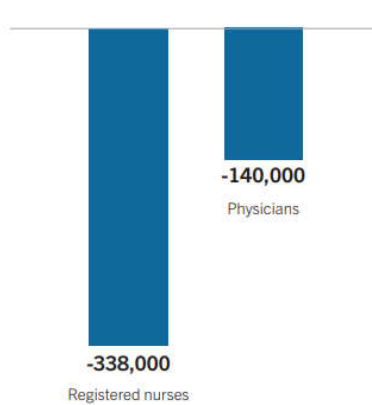
PATIENT CENTERED RESPECT INTEGRITY EXCELLENCE OWNERSHIP INNOVATION

Workforce is an Ongoing Challenge

Figure 6: ■ ■ ■

The supply of health care workers will fall short of demand as the population ages

Projected shortages by 2036



Source: National Center for Health Workforce Analysis, 2023

MEETING THE GROWING DEMAND FOR AGE-FRIENDLY CARE

11



Loss of Services

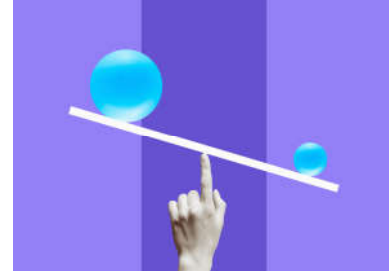
- Maine's **residential treatment capacity for children** lost 260% of capacity between 2007-2025
 - 642-178 licensed beds
 - 55 unoccupied
- Maine lost 538 **nursing home beds** – 10% of its capacity – 2023-2025
 - Of those remaining, only 85% capacity today
 - Increased demand due to aging population
- **OB unit closures** continue:
 - 9 in Maine since 2014
 - 10 in New Hampshire since 2015
 - 1 in Vermont

Demographics are increasing demand at a time when supply of key services is being reduced



Health Costs Have Reached Tipping Point

- Affordability of health insurance for patients and employers
- Growth of Medicaid and Medicare program
- State revenues leveling off
- Federal funding priorities have changed
 - Tax cuts

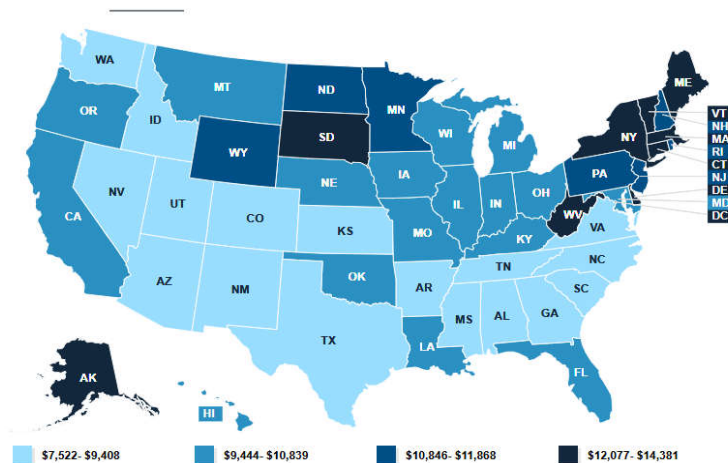


Unprecedented activity aimed at reducing health spend at federal, state and local levels



PATIENT CENTERED RESPECT INTEGRITY EXCELLENCE OWNERSHIP INNOVATION

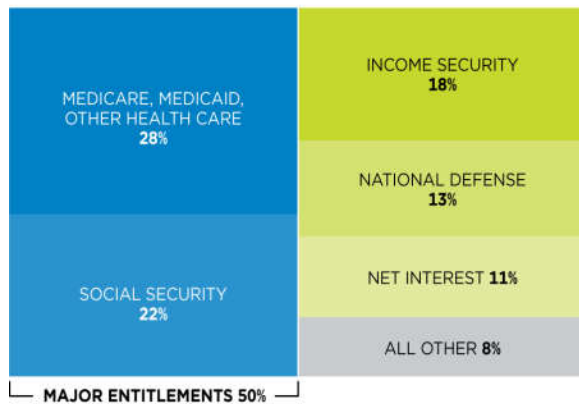
New England's Health Costs are Among Highest



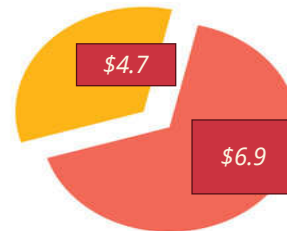
PATIENT CENTERED RESPECT INTEGRITY EXCELLENCE OWNERSHIP INNOVATION

Why are We Here? Health Care Comprises Significant Portions of Governmental Budgets

SPENDING AS A PERCENTAGE OF THE 2023 BUDGET



- Nearly 1/3 of Maine's budget is spent on Medicaid (MaineCare)



Executive Orders and Other Administrative Actions

- Health care transparency
- DEI
- NIH and Grant Funding
- Reductions to workforce
- Immigration Policy
- Tariffs – supply chain impact
- Gender Affirming Care
- Vaccine hesitancy
- Substance Use and Homelessness
- Attempting to use authority to promote policy priorities
- Many EOs have been temporarily blocked by one or more judges
- Cuts to workforce/resignations having significant impact on operations



HR 1 – Expected Impact of Budget Reconciliation

- **Significant Losses of Coverage for Lower-Income Enrollees**

- 100-138% of Federal Poverty Level
- Immigrants due to eligibility changes
- Medicaid work requirements
- Changes in the Marketplace/Exchanges
- **Reduces federal support for Medicaid payments**

- **SNAP Benefit Reductions**

- Reduces SNAP benefits per beneficiary
- Institutes work requirements
- Increased eligibility redeterminations
- Eliminates benefits for legal Non-Citizens
- **Shifts financial burden onto states**



Nonprofit Hospitals & Health Systems will Sustain Increased Costs and Reduced Reimbursement

ATION

Rural Health Transformation Fund

- **Rural Health Transformation Program - \$50 billion**

- \$10 billion annually through 2030
 - 50% distributed to all states **whose applications are accepted**
 - 50% at discretion of CMS
- **States must submit applications by November 5 that detail how:**
 - Access to hospitals and other providers will be improved
 - Improvement of health outcomes
 - Emphasis on technology, particularly for prevention and chronic disease management
 - Strengthen local and regional partnerships between hospitals and other organizations
 - Enhanced recruitment and training for clinicians
 - Data and technology-driven solutions for health care delivery
 - Long-term financial solvency of rural hospitals
- **Awards will be made by 12/31**



MaineHealth



PATIENT CENTERED



RESPECT



INTEGRITY



EXCELLENCE



OWNERSHIP



INNOVATION

Impact Varied Across New England

Source: KFF analysis of CBO estimates of the enacted reconciliation package • Get the data • Download PNG

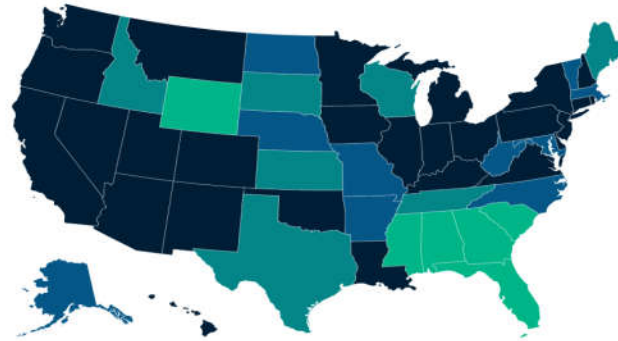
KFF

Figure 3

Federal Medicaid Cuts in the Enacted Reconciliation Package, By State

As a % of 10-year baseline federal spending (2025-2034)

■ < 7% ■ 7%-10% ■ 10%-13% ■ ≥ 13%



Note: \$911 billion in federal Medicaid spending cuts over the 10-year period is allocated across states, including \$708 in estimated Medicaid spending interactions. See Methods in "Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package" for more details.

Source: KFF analysis of CBO estimates of the enacted reconciliation package • Get the data • Download PNG

KFF

But that is because we have not all fully taken advantage of federal opportunities



PATIENT CENTERED RESPECT INTEGRITY EXCELLENCE OWNERSHIP INNOVATION

Ranking of ME, NH, and VT Hospitals to National Indicators

- Overall, New Hampshire PPS hospitals have more favorable rankings than Maine and Vermont.
- Maine's CAH rankings are similar to New Hampshire, and more favorable than Vermont.

Ranking of 2023 Median Financial Metrics to U.S. States

PPS (50 states) and CAH (45 States)

Lower Score Better

Metric	PPS			CAH		
	Maine	New Hampshire	Vermont	Maine	New Hampshire	Vermont
1 Total Margin	39	16	40	29	7	42
2 Operating Margin	46	25	50	17	9	40
3 Return on Equity	21	8	47	28	6	44
4 Current Ratio	26	40	38	33	29	42
5 Net Days in Patient A/R	42	9	3	5	10	30
6 Equity Financing Ratio	49	38	25	24	26	23
7 Cash Flow to Total Liabilities	22	19	15	31	14	40
8 Average Age of Plan	46	44	39	40	15	33
9 Occupancy Rate	21	8	14	9	7	1



PATIENT CENTERED RESPECT INTEGRITY EXCELLENCE OWNERSHIP INNOVATION

And That's Not All – Additional Changes Ahead

- **Pending Federal Rules include Additional Cuts**
 - 6.4% decrease in Home Health rates
 - Site neutral payments for drugs administered in previously grandfathered off-campus provider-based departments
 - 340B changes, including voluntary data submission of claims data and clawback of funds
- **Expiration of Enhanced Healthcare Tax Credits**
 - Premiums will increase substantially for all who benefit from the tax credits
 - 75% increase on average
 - Impacts self-employed individuals, workers without access to insurance, and early retirees
 - **Most will not afford coverage and go without insurance**

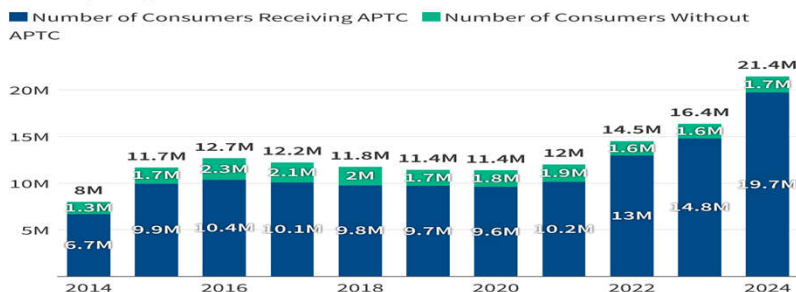


Advanced Premium Tax Credit Impact

Figure 1

The Number of ACA Marketplace Enrollees Receiving Premium Tax Credits in 2024 Has Nearly Doubled Since 2020

Affordable Care Act Marketplace Enrollees Receiving Advanced Premium Tax Credits (APTC), 2014-2024



Note: The number of consumers without APTC includes individuals with unknown financial assistance status in 2014-2016. The number of consumers receiving APTC is approximated for 2016.

Source: KFF analysis of 2014, 2015, and 2016 ASPE Open Enrollment reports and Marketplace Open Enrollment Period Public Use Files for 2017-2024

KFF



What We Are Planning For:

Direct Impact to Patients

- *Increases in numbers of uninsured patients*
- *Increases in food instability*

Likely Impact to Health Systems

- *Increased levels of free care and bad debt*
- *Greater use of Emergency Departments & urgent forms of care*
- *Declines in medical school applications*
- *Shifts towards capitation and value-based payment strategies*

Impact to Providers

- *Sicker patients*
- *Promotion of technology*

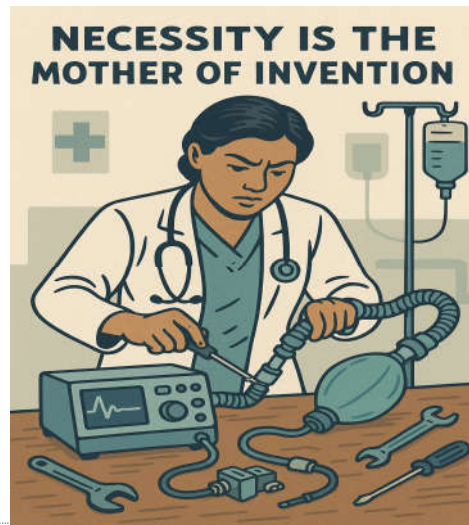


What Can We Expect? Case Managers Will Be in High Demand!

- *Vulnerable Populations Will Need Added Support*
 - *Food insecurity*
 - *Reduced access to traditional services*
 - *Administrative complexities*
 - *Work requirements*
 - *Eligibility renewals*



Are there New Ways to Meet the Needs of Our Patients?



Where We Go from Here

“Open your arms to change, but don't let go of your values”
Dalai Lama

- *Identify opportunities to meet the needs of our patients in different ways*
 - *Technology*
 - *New models for home-based care*
- *Continue to put patients (and the staff who care for them) at the center of every decision*
- *Remain open to change while ensuring that we deliver excellent, evidence-based care to our communities*
- ***Stay True to Your Values and Vision***



Your Voice Matters!

- *All lawmakers know health care as patients and family members first*
- *Regardless of your politics, your voice makes a difference!*
- *Engage in democracy as a citizen! Lawmakers don't bite (most of the time!)*
- *If talking with a policymaker:*
 - *Stick to the facts*
 - *Patients first*
 - *Never burn bridges!*
- *Thank You! Your Work is More Important than Ever in Keeping our Population Safe and Healthy!*



Questions?

