



STATE OF MAINE
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AUGUSTA, MAINE
04333-0001

Paul R. LePage

GOVERNOR

3 April 2018

The 128th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 128th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1778, "Resolve, Regarding Medicaid Reimbursement for Rehabilitation Hospitals."

The Department of Health and Human Services recently made an adjustment to the hospital tax and match scheme to more equitably account for both inpatient and outpatient services provided by hospitals. Because rehabilitation hospitals provide significantly more inpatient services than outpatient services, the change negatively affected the total reimbursement received by Maine's only rehabilitation hospital. This bill would reduce the share of supplemental pool income received by hospitals around the state and redirect those dollars to just one specific hospital.

I hear often about the fiscal challenges of Maine's hospitals. In fact, one of the primary arguments used by proponents of Medicaid expansion was that expanding Medicaid would help provide additional support to struggling Maine hospitals. While I disagree with that assumption, it seems antithetical to then cut reimbursement for a broad group of hospitals just to give one hospital an increase.

For this reason, I return LD 1778 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,

Paul R. LePage
Governor



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