

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1443

S.P. 584

In Senate, April 3, 2025

**An Act to Ensure the Financial Stability of Behavioral Health
Service Providers and Housing Assistance Providers**

(EMERGENCY)

Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BENNETT of Oxford.
Cosponsored by Representative CRAFTS of Newcastle and
Senators: BALDACCI of Penobscot, MOORE of Washington, TALBOT ROSS of
Cumberland, TIMBERLAKE of Androscoggin, Representatives: ANKELES of Brunswick,
CARLOW of Buxton, SALISBURY of Westbrook, SHAGOURY of Hallowell.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** the Department of Health and Human Services has experienced delays in
4 awarding contracts to, finalizing contracts with and making payments to behavioral health
5 service providers, housing assistance providers and other similar nonprofit service
6 providers; and

7 **Whereas,** the department relies on these service providers to provide essential
8 services; and

9 **Whereas,** delays in contract awards, finalization and payment have required service
10 providers to access loans or lines of credit to bridge temporary financial gaps; and

11 **Whereas,** without timely contract awards, finalization and payment from the
12 department, a service provider must pay expenses, including staff salaries and rent, out of
13 the provider's own line of credit, which can create cash flow challenges that threaten the
14 provider's solvency and the availability of services; and

15 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
16 the meaning of the Constitution of Maine and require the following legislation as
17 immediately necessary for the preservation of the public peace, health and safety; now,
18 therefore,

19 **Be it enacted by the People of the State of Maine as follows:**

20 **Sec. 1. 22 MRSA §20-B** is enacted to read:

21 **§20-B. Continuation of contract payments; payment of expenses and interest**

22 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
23 following terms have the following meanings.

24 A. "In good standing" means that a service provider has successfully complied with
25 the terms and conditions of its most recent contract with the department and has no
26 unresolved or outstanding compliance concerns.

27 B. "Previous contract rate" means the payment rate or structure established under the
28 most recent contract between a service provider and the department.

29 C. "Service provider" means an entity, including, but not limited to, a private or
30 nonprofit behavioral health agency, housing assistance provider or other nonprofit
31 organization that contracts with the department to provide services.

32 **2. Continuation of contract payments during delays.** The department shall continue
33 payments to a service provider in good standing at the service provider's previous contract
34 rate when a delay in contract awarding, finalization or payment of more than 30 calendar
35 days has occurred since the expiration of the previous contract.

36 **3. Administrative expenses and interest charged to service providers accessing**
37 **lines of credit or loans.** The department shall pay administrative expenses and interest
38 charged on lines of credit or loans accessed by a service provider when a delay in awarding,
39 finalization or payment of a department contract requires the service provider to access the
40 line of credit or loan.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill requires the Department of Health and Human Services to continue payments to service providers, including, but not limited to, private or nonprofit behavioral health agencies, housing assistance providers and other nonprofit organizations, in good standing with the department at their previous contract rates when delays in new contract awarding, finalization or payment exceed 30 days. It also requires the department to pay administrative expenses and interest charged on lines of credit or loans accessed by a service provider when a delay in awarding, finalization or payment of a department contract requires the service provider to access the line of credit or loan.