

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2026

Legislative Document

No. 2208

H.P. 1487

House of Representatives, February 10, 2026

An Act to Offset Federal Cuts to Health Insurance for Certain Maine Families and Seniors

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Speaker FECTION of Biddeford.

Cosponsored by President DAUGHTRY of Cumberland and

Representatives: CLUCHEY of Bowdoinham, DODGE of Belfast, JULIA of Waterville,

MATHIESON of Kittery, RAY of Lincolnville, Senators: GROHOSKI of Hancock, RENY of Lincoln, TIPPING of Penobscot.

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

2 Sec. 1. 22 MRSA §1730-B is enacted to read:

3 **§1730-B. Rural Hospital Stabilization Program**

4 **1. Program established.** The Rural Hospital Stabilization Program, referred to in this
5 section as "the program," is established within the department to provide grants to defray
6 operating costs for health care providers and health care facilities in rural areas, including
7 start-up costs, incurred in providing inpatient, outpatient, primary, specialty or behavioral
8 health care services to residents of the State and to stabilize the provision of existing health
9 care services when those services are at risk of reduction or elimination. For the purposes
10 of this section, "rural area" has the same meaning as in section 5304, subsection 18.

11 **2. Rural Hospital Stabilization Fund.** The Rural Hospital Stabilization Fund,
12 referred to in this section as "the fund," is established as a dedicated, nonlapsing fund
13 administered by the department for the purposes of funding the program. The department
14 may receive money from any gift, grant, contribution, legislative appropriation, allocation
15 or transfer or bond proceeds. The money in the fund may be used only for the purposes of
16 awarding grants under the program and paying program administration costs.

17 **3. Program eligibility.** The department shall award grants from the fund, which are
18 subject to the following conditions and limitations.

19 A. The health care provider or health care facility must meet state licensing
20 requirements to provide health care services and must be an enrolled Medicaid provider
21 that actively serves Medicaid recipients in a rural area.

22 B. Grants must be for at least one year and for no more than the first 5 years of
23 operation as a newly constructed health care facility in a rural area or the operation of
24 a new or expanded health care service in a rural area.

25 C. Grants must be limited to covering operating costs for which revenue is not
26 sufficient.

27 D. The health care provider or health care facility must provide evidence to the
28 department that the receipt of a grant under this section would help the health care
29 provider or health care facility reopen services that have closed due to cost constraints
30 or would help keep existing services open.

31 E. The health care provider or health care facility must provide adequate cost data, as
32 defined by rule by the department, based on financial and statistical records that can be
33 verified by qualified auditors. The data must be based on an approved method of cost
34 finding and the accrual basis of accounting and be confirmed as having been delivered
35 through review of claims.

36 F. Grant award amounts must be reconciled by the department to audited operating
37 costs after the close of the grant period.

38 G. In the case of a health care provider, the provider must commit to:

39 (1) A period of operation equivalent to the number of years grants are awarded;
40 and

41 (2) Actively serve Medicaid recipients in a rural area throughout the duration of
42 the grant period.

1 H. In prioritizing grant awards, the department must consider the health needs of the
2 State and the locality in which the health care facility is located and long-term
3 sustainability of the new or expanded health care service.

4 I. Grants from the fund may not be used for operations outside of the State.

5 **4. Rulemaking.** The department may adopt rules to implement this section. Rules
6 adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter
7 375, subchapter 2-A.

8 **Sec. 2. 22 MRSA §3198** is enacted to read:

9 **§3198. Health Care Premium Stabilization Fund**

10 **1. Fund established.** The Health Care Premium Stabilization Fund, referred to in this
11 section as "the fund," is established as a dedicated, nonlapsing fund administered by the
12 department to maintain coverage for residents of the State through the Maine Health
13 Insurance Marketplace, established in chapter 1479, Medicaid or other federal assistance
14 programs if the federal Patient Protection and Affordable Care Act, Public Law 111-148
15 and 42 Code of Federal Regulations, Part 455 are repealed or are administered in a way
16 that reduces access to comprehensive health coverage for residents of the State.

17 **2. Sources of fund.** The fund consists of amounts appropriated or allocated by the
18 State. The department may receive money from any gift, grant, contribution, legislative
19 appropriation, allocation or transfer or bond proceeds.

20 **3. Uses of fund.** The department shall use the fund to establish a state subsidy to offset
21 the financial impact of the expiration of the enhanced premium tax credits under the
22 American Rescue Plan Act of 2021, Public Law 117-2. The subsidy must be used to
23 increase the amount of assistance available to those previously eligible for subsidies under
24 the federal Affordable Care Act, Public Law 111-148 and to expand assistance to those
25 with an income at or below 400% of the federal poverty level if the recipient's premium
26 cost of a silver category health insurance plan under the federal Affordable Care Act would,
27 prior to the receipt of a subsidy under this section, exceed 8.5% of the recipient's household
28 income.

29 **4. Rulemaking.** The department may adopt rules to implement this section. Rules
30 adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter
31 375, subchapter 2-A.

32 **Sec. 3. 22 MRSA §3199** is enacted to read:

33 **§3199. MaineCare Federal Response Fund**

34 **1. Fund established.** The MaineCare Federal Response Fund, referred to in this
35 section as "the fund," is established as a dedicated, nonlapsing fund administered by the
36 department to supplement funding for the MaineCare program in the case of funding
37 revenue shortfalls due to reductions in federal contributions that support MaineCare
38 programs. The department may use funds in the fund to enhance program outreach and to
39 address changes to federal requirements related to program eligibility and renewals.

40 **2. Rulemaking.** The department may adopt rules to implement this section. Rules
41 adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter
42 375, subchapter 2-A.

1 **Sec. 4. Appropriations and allocations.** The following appropriations and
2 allocations are made.

3 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

4 **Miscellaneous Acts and Resolves - Finance 0306**

5 Initiative: Appropriates one-time funding to be distributed to the Maine Guaranteed Access
6 Reinsurance Association to increase the reinsurance program for the 2027 coverage year.

7	GENERAL FUND	2025-26	2026-27
8	All Other	\$0	\$80,000,000
9			
10	GENERAL FUND TOTAL	\$0	\$80,000,000

11

12 **ADMINISTRATIVE AND FINANCIAL**
13 **SERVICES, DEPARTMENT OF**
14 **DEPARTMENT TOTALS**

15		2025-26	2026-27
16	GENERAL FUND	\$0	\$80,000,000
17			
18	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$80,000,000

19 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF**

20 **Health Care Premium Stabilization Fund N566**

21 Initiative: Provides one-time funding for the Health Care Premium Stabilization Fund.

22	GENERAL FUND	2025-26	2026-27
23	All Other	\$0	\$17,300,000
24			
25	GENERAL FUND TOTAL	\$0	\$17,300,000

26 **MaineCare Federal Response Fund N568**

27 Initiative: Provides one-time funding to offset federal cuts to health insurance for certain
28 families and seniors, with \$5,000,000 set aside that may be used for technology
29 improvements at the Office for Family Independence and Office of MaineCare Services to
30 implement federal policy changes. The Office for Family Independence may also use these
31 funds to enhance outreach to help with the rollout of new federal requirements related to
32 eligibility and renewals.

33	GENERAL FUND	2025-26	2026-27
34	All Other	\$0	\$105,000,000
35			
36	GENERAL FUND TOTAL	\$0	\$105,000,000

37 **Rural Hospital Stabilization Fund N567**

38 Initiative: Provides one-time funding for grants to rural health care services.

39	GENERAL FUND	2025-26	2026-27
40	All Other	\$0	\$50,000,000
41			

1	GENERAL FUND TOTAL	\$0	\$50,000,000
2			
3	HEALTH AND HUMAN SERVICES,		
4	DEPARTMENT OF		
5	DEPARTMENT TOTALS	2025-26	2026-27
6			
7	GENERAL FUND	\$0	\$172,300,000
8			
9	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$172,300,000
10			
11	SECTION TOTALS	2025-26	2026-27
12			
13	GENERAL FUND	\$0	\$252,300,000
14			
15	SECTION TOTAL - ALL FUNDS	\$0	\$252,300,000

16 **SUMMARY**

17 This bill does the following.

18 1. It establishes the Rural Hospital Stabilization Program to provide grants to defray
19 operating costs for health care providers and health care facilities in rural areas, including
20 start-up costs, incurred in providing inpatient, outpatient, primary, specialty or behavioral
21 health care services to residents of the State and to stabilize the provision of existing health
22 care services when those services are at risk of reduction or elimination.

23 2. It establishes the Health Care Premium Stabilization Fund to maintain coverage for
24 residents of the State through the Maine Health Insurance Marketplace, Medicaid or other
25 federal assistance programs if the federal Patient Protection and Affordable Care Act is
26 repealed or is administered in a way that reduces access to comprehensive health coverage
27 for residents in the State.

28 3. It establishes the MaineCare Federal Response Fund to supplement funding for the
29 MaineCare program in the event of funding revenue shortfalls due to reductions in federal
30 contributions that support MaineCare programs.