



Maine Veterans' Homes Closures

February 24, 2022

FREQUENTLY ASKED QUESTIONS

After several years of consideration, the Maine Veterans' Homes Board of Trustees made the decision to close our Machias and Caribou Homes. Factors affecting this difficult decision include escalating operational losses, significant declines in the veteran population, and the growing scarcity of qualified workforce, which threaten the financial viability of the entire MVH system. Although difficult, this decision is the only path forward to preserve future sustainability for MVH and our ability to deliver the high quality, award-winning care our veterans deserve.

When will MVH Machias and MVH Caribou close?

The target date for closing are April 15, 2022, for Machias and May 1, 2022, for Caribou. However, we will not close until we have transferred all of the residents to facilities of their choosing or identified an at-home care plan that meets their needs.

Why now?

The driving factors for the decision to close are the declining veteran population and ongoing workforce crisis. Without sufficient staff, we cannot deliver quality care. There is no easy answer to the ongoing staffing crisis – it is a long-term supply problem that is affecting every sector of health care, with long term care experiencing the most extreme impact.

In addition to these underlying challenges, MVH Machias and MVH Caribou have routinely lost about \$2M combined annually for several years. This year, they are on track to lose \$3M. The pandemic has exacerbated the operating losses and staffing shortages, making the situation urgent.

How is the overall staffing shortage in health care affecting the decision to close these two homes?

The ongoing statewide (and national) shortage of health care workers and support personnel is affecting all areas of health care, and the long-term care sector is the most seriously affected. MVH cannot hire enough qualified health care workers and support personnel from the areas proximate to our Machias and Caribou homes to staff either facility as needed. Our efforts to offer increased wages and provide additional hiring incentives have not improved the situation.

It is likely that it will take years to re-establish the health care workforce necessary to staff our facilities appropriately, if it becomes possible at all.

Can anything be done by the State to save the facility?

Although originally established by the Maine Legislature, MVH is not a funded state agency. MVH operates as an independent 501(c)(3) nonprofit organization and is certified by the VA as a State Veterans Home (SVH). The problem of declining veteran population, as well as escalating staffing challenges, are long-term problems that will not be solved by administrative action or legislation. Our Machias and Caribou Homes are not self-sustaining and have always relied heavily on financial support from the larger Homes.

Can the closure timeline be delayed?

We are following the CMS and DHHS requirements for closure of both facilities. The pandemic has exacerbated operating losses and staffing shortages, and the situation is now urgent. It is becoming impossible to operate and maintain these facilities at these significant losses without threatening the financial viability of the entire MVH system.

Where will these veterans get their care?

Residents will have a choice where to transfer, including to another MVH Home, or other VA-contracted community nursing home. Some families may choose to care for their loved ones at home. MVH will provide residents and their families the assistance they need to identify the best option for them. Closure of either the Machias or Caribou Homes will not take place until every resident has a transition plan in place.

How will MVH care for their affected employees?

We are grateful for the years of service and care our employees have provided to our veterans and families. Employees who remain through the closure will be offered severance packages and relocation assistance if they choose to work at another MVH facility. We will also work to support placement with other area employers.

Are you concerned about the community impact?

We appreciate and understand how difficult and disappointing the loss of the Machias and Caribou facilities will be to their respective communities. However, these Homes are not financially and operationally sustainable. MVH cannot continue to absorb these losses without threatening the financial viability of the entire system. We are actively engaged with other area health care partners to identify the best solutions possible for everyone affected.

How is MVH funded?

MVH is an independent nonprofit organization. It is not a funded state agency or part of the federal VA. Like most health care providers, MVH relies on Medicare, Medicaid, private pay, and commercial insurance to fund operations. Veterans may also qualify for VA grant programs to help offset the cost of their care.

Won't the recently approved increases to MaineCare rates help?

We are grateful for any increase to MaineCare reimbursements, but the timing and rate increase are insufficient to overcome the level of operational loss we are experiencing. MVH is already paying direct care workers at above the prescribed 125% of minimum wages in advance of the planned rate increase, which has yet to be implemented.

What will happen to the facilities after they close?

MVH is in discussion with organizations who have an interest in our facilities, but no decisions have been reached at this point.

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