



**Testimony of Vanessa Santarelli, CEO
Maine Primary Care Association**

In Opposition to LD 1521: “An Act to Amend the Property Tax Laws”

Tuesday, May 9, 2017

Senator Dow, Representative Tipping and distinguished members of the Joint Standing Committee on Taxation, my name is Vanessa Santarelli and I serve as the CEO of the Maine Primary Care Association (MPCA), whose members include all 20 of Maine’s Federally Qualified Health Centers (FQHCs). Maine’s FQHCs, provide high quality, primary and preventive medical, behavioral health and dental services for 1 in every 6 Mainers (approx. 210,000). I am submitting testimony in opposition to LD 1521, and specifically related to Parts A and B allowing municipalities to impose “service charges,” or taxes on non-profit organizations with real estate assets with a value of \$10,000,000 or more.

Maine’s Federally Qualified Health Centers are required to provide affordable access to a wide range of integrated health care services to all individuals in their service areas, regardless of their insurance status or ability to pay. As such, our FQHCs not only serve higher percentages of patients who are on Medicare, MaineCare and who are uninsured than other types of providers—doing so has an impact on their financial sustainability. They invest every limited dollar in their budgets back into the community, either through direct patient care, employment of trained and skilled workers and clinicians and through capital investments to meet the increased demands on their services. They can ill afford to divert their limited resources to pay higher taxes or service fees that take money away from patient care.

Despite operating on the thinnest of margins, FQHCs help to keep the overall cost of health care down in Maine. In addition to cost effective primary and preventive care services, their interventions like case and chronic disease management, help avoid unnecessary Emergency Department utilization, and hospitalizations. Further, Maine’s FQHCs contribute significantly to the state’s economy, particularly in rural and medically underserved communities. A recent analysis conducted by Capital Link, revealed that Maine’s FQHCs had an overall statewide economic impact of over \$311 million.

Non-profits, such as Maine’s FQHCs play an integral role in their local communities and the state as a whole. We encourage the Taxation Committee to oppose this measure that seeks to impose barriers, such as taxes and service fees on essential providers of services, so as not to diminish the impact they have on improving the health and wellness of our families and communities.

Thank you for your consideration.