



THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

August 27, 2026

Sara Gagné-Holmes
Commissioner, Maine Department of Health and Human Services
11 State House Station
Augusta, ME 04333

Dear Commissioner Gagné-Holmes:

We are writing today regarding the fiscal crisis facing Penobscot Community Health Care (PCHC), Maine's largest federally qualified health center (FQHC). According to PCHC President and CEO Lori Dwyer, the organization is in dire need of a capital infusion to maintain access to services and locations across rural Maine. This is the very type of rural health care funding crisis the federal government had in mind when creating the Rural Health Transformation Program (RHTP) in H.R. 1.

It is important to note that as an FQHC, PCHC is the largest provider that cares for our low-income and uninsured residents as well as residents receiving benefits through MaineCare. With more than 20 locations across three counties, they also deliver critical dental and behavioral health services. As noted by Dwyer [in her op-ed](#) published by the Bangor Daily News, their current financial situation is not due to any one factor but a multitude of factors converging at once.

A major strategic initiative under RHTP was technology upgrades that qualified for grant funding. In good faith, PCHC completed those system upgrades at a net cost of about \$3 million, both in direct and indirect costs. However, the Department of Health and Human Services (DHHS) only gave them a portion of that cost and much less than what was expected. Ironically, PCHC is still waiting for what little funds they will get, which has contributed to the current funding crisis.

Additionally, your Department failed to provide an adequate cost of living adjustment (COLA) in 2024 and any COLA this year for FQHCs despite these providers facing the same inflationary pressure as every other type of health care provider. As the Department has provided COLAs historically, the lack of COLAs since 2024 has cost PCHC nearly \$1 million.

Unfortunately, DHHS has contributed to their crisis even further when your Department neglected to account for the importance of our federally qualified health centers in implementing Maine's RHTP. Just last month, the Department announced \$30 million to strengthen rural hospital resilience and invited 11 hospitals to participate in the newly created Rural Hospital Efficiency Fund.

After speaking with PCHC directly, it is abundantly clear their financial uncertainty is not a result of federal Medicaid reforms or delayed payments from the state. Their issues stem largely from the above-mentioned failures of your Department in administering RHTP funds thoughtfully and effectively.

This is not the first time the administration has failed to act. In April, the administration's inability to meet federal deadlines nearly put the entire \$190 million in first-year RHTP funding U.S. Sen. Susan Collins secured for Maine at risk. Fortunately, the federal government extended the deadline, allowing Maine to access this critical funding.

Given the funding crisis PCHC is facing, we strongly urge the administration to create a similar fund to support Maine's federally qualified health centers. PCHC alone employs 720 individuals and provides care for 50,000 patients.

Protecting our federally qualified health centers and ensuring rural patients have access to quality care are bipartisan priorities. We respectfully request your Department to dedicate a portion of Maine's RHTP funding to a new fund specifically supporting federally qualified and other rural health centers. By acting now, the state can protect essential health care services and ensure rural residents continue to receive the care they need and deserve.

We welcome the opportunity to discuss this proposal and look forward to your response.

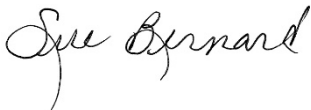
Sincerely,



Sen. Trey Stewart
Senate Republican Leader



Sen. Matthew Harrington
Assistant Senate Republican Leader



Susan Bernard
State Senator



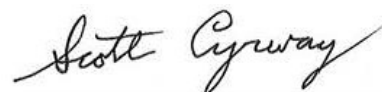
Richard Bradstreet
State Senator



Bruce Bickford
State Senator



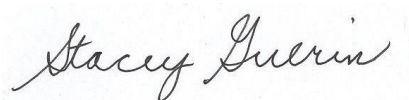
Russell Black
State Senator



Scott Cyrway
State Senator



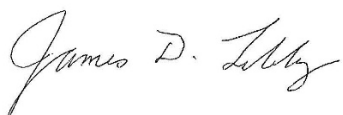
Brad Farrin
State Senator



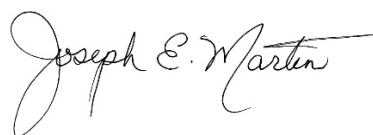
Stacey Guerin
State Senator



David Haggan
State Senator



James Libby, PhD
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Joseph Martin
State Senator



Marianne Moore
State Senator



Jeff Timberlake
State Senator