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To: Senator James M. Hamper, Chair
Representative Margaret R. Rotundo, Chair
Members of the Joint Standing Committee on Appropriations and Financial Affairs

From: Maine Department of Health and Human Services

Re: LD 236 Work Session

Office of MaineCare Services

Access to Primary Care and Preventative Services

HHS 94 & 95, Page 15, Line 27, C-A- 5546 (0147) OMS Provides continued funding GF FY15 \$1,856,002 Federal (\$1,856,002)

The Stage A Health Home initiative was established in January 2013 as an integrated care model focused on members diagnosed with, or at risk of developing, multiple chronic conditions (such as diabetes, obesity and depression). The Health Home model is providing additional financial assistance to primary care practices, \$12 per member per month, to support a team-based approach managing patient care with a greater focus on data-informed decision-making, adherence to evidence-based treatment protocols, open access to patients on an as needed basis, and the engagement of community care teams, which are reimbursed \$129.50 per member per month, to support increased focus on high needs patients that encompasses a focus on both the social and medical models. There are 170 practices with over 50,000 MaineCare members engaged in the Stage A health home. This model truly represents the long-ignored investment in primary care with the clear focus on improving health status and outcomes for individuals with chronic conditions and reducing costlier use of the healthcare system where that use is preventable – such as emergency department use and preventable hospital admissions/readmissions. We are extremely pleased with the performance to date and the opportunity to continue to build on this successful model. Additionally, this model is also foundational to Maine's recent successful win of the \$33 million three year State Innovation Model grant that is a state-wide effort led by the Department focused on improving Maine's financial and quality performance of our healthcare delivery system. Unfortunately, under the Affordable Care Act (ACA), the federal government only provided a temporary federal match of 90/10 to support the creation of this model. This enhanced funding ended on December 31, 2014, and this initiative seeks to continue the support of this initiative by increasing General Fund to supplant the loss of enhanced federal funding, in State Fiscal Year (SFY) 15 and into the SFY 16-17 biennium.

HHS 96 & 97, Page 16, Line 7, C-A- 5547 (0147) OMS Provides funding GF FY15 \$1,520,087 Federal \$2,459,198

Access to primary care is the foundation our healthcare delivery system is built upon. As I mentioned with the previous initiative over the last several years, we have worked to improve Maine's commitment to primary care physicians. Many privately practicing physicians have closed their doors to Medicaid patients or have had to limit the number they could care for because the reimbursement rates have been grossly underfunded and failed to cover the cost of care or the needed investments such as electronic medical records, etc. Again, under the Affordable Care Act (ACA), states were afforded temporary assistance to increase the rates of reimbursement to primary care physicians up to the Medicare rates. The federal government provided 100% of the funds to bridge the gap between a state's current Medicaid reimbursement rates and the Medicare rate. However, that funding was also time-limited with a two year expiration. This enhanced funding ended on December 31, 2014. More than 540 primary care providers have benefitted by this increased support. As many of you are aware the payment system in Medicaid, Medicare, and in private insurance has perversely rewarded and funded the acute care side of the equation but has not made the needed commitment to primary care. Ongoing support will help reduce inappropriate utilization of the Emergency Department (ED), and reduce avoidable admissions and repeat readmissions to the hospital. Maintaining engagement of our primary care physicians in our efforts around the state innovation model grant and health system transformation is critical. The lack of financial support of their reimbursement rates will likely affect their ability to commit to these efforts. This initiative seeks to maintain this crucial funding support for primary care providers with the increased general fund support needed to supplant the loss of temporary federal funding.

Office of Substance Abuse and Mental Health Services

Consent Decree

HHS 9, Page 1, Line 16, C-A- 5510- (Z163)-SAMHS Consent Decree Funding GF FY2015 \$1,133,051

This initiative represents the difference between the FY2015 budget and the estimated unmet need that DHHS is required to meet under the AMHI consent decree (010 14A Z16301).

The AMHI consent decree requires the Department of Health and Human Services (DHHS) to provide and fund core services for clients who are not eligible for MaineCare. The estimated difference between the current allocation to the account and the original budget of \$4,664,220 for FY2015 is \$1,133,051. These funds are necessary to meet the currently unmet needs identified in the core services of the Consent Decree. There are currently 10 individuals waiting for Assertive Community Treatment Services, 290 individuals waiting for Community Integration Services, 2 individuals waiting for Daily Living Support Services. Additionally, there are documented unmet needs for Psychiatric Medication Services, Peer Services, and Vocational Services.

Management

Allotment Change

HHS 79 & 80, Page 1, Line 23 & Page 7, Line 2, C-A- 5505 (0705, 0987) OMS Transfer funding OSR 0705 FY15 \$445,677 OSR 0987 FY15 (\$445,677)

This initiative adjusts funding to properly align anticipated Service Provider Tax revenues, correctly aligning these revenues to match the services provided related to section 21 of the MaineCare benefits manual.

HHS 81 & 82, Page 1, Line 31 & Page 7, Line 10, C-A- 5506 (0705, Z006) OMS Transfer funding OSR 0705 FY15 \$260,087 OSR Z006 FY15 (\$260,087)

This initiative adjusts funding to properly align anticipated Service Provider Tax revenues, correctly aligning these revenues to match the services provided related to section 29 of the MaineCare benefits manual.

Audit Finding

HHS 92 & 93, Page 17, Line 16, C-A- 7900 (0147) OMS Provide funding GF FY15 \$4,000,000 OSR (\$4,000,000)

This initiative provides partial funding in order to repay \$9.2 million to the Federal Government for an Office of the Inspector General report (Report No. CIN A-01-12-00001).

This initiative will be used to repay the Federal Government for an OIG audit finding and formal repayment letter - relative to system issues surrounding claims adjustments for calendar year(s) 2005 through 2009.

Cash Management

HHS 90 & 91, Page 16, Line 23, C-A- 5548 (0147) OMS Provides funding GF FY15 \$20,000,000 Federal \$32,356,021

The 126th Legislature reduced the funding to Maine's Medicaid program by \$20 million in FY 2015, leaving DHHS to cover that shortfall through means of "cash management." The legislation effecting this change permitted the Department to identify its preferred mechanism for recovering \$20 million of funding in FY 2015 by pushing \$20 million in payments to providers into the next fiscal year. After studying numerous means of implementing cash management, the Department concluded there was no fair, efficient means of eliminating \$20 million in payments to MaineCare providers without creating hardship for all MaineCare providers. Accordingly, the Department has requested reinstatement of the \$20 million previously rescinded in order to timely pay providers to the care provided to MaineCare members.

Personal Services

HHS 99 & 100, Page 19, Line 11, C-A- 7731 (0143) CDC Provide funding Federal FY15 \$15,882

This initiative provides funding for the approved reclassification of one Senior Geologist position to a Senior Environmental Hydro geologist position retroactive to August of 2012. This reclassification is approved by the Bureau of Human Resources.

HHS 83 – 85, Page 14, Line 26, & Page 17, Line 30, C-A- 7403 (Z036, Z118) DLRS Reorganize GF FY15 \$234 OSR \$1,208 (\$125 and \$1083)

This initiative reorganizes one Social Service Program Specialist II position to a Social Service Manager I position. This position is currently managing the Maine Medical Marijuana Program and Behavioral Health Service areas of the Division of Licensing and Regulatory Services (DLRS). This position was not reclassified when all other Program Manager positions were. This will bring all managerial positions for DLRS programs to the same level.

HHS 101 & 102, Page 18, Line 25, C-A- 7412 (0679) SAMHS Provide funding Block Grants FY15 \$7,552

This initiative provides funding for the approved reclassification of one Substance Abuse Program Specialist position to a Comprehensive Health Planner II position retroactive to September of 2013. This reclassification is approved by the Bureau of Human Resources.

Office for Family Independence

General Assistance

HHS 98, Page 15, Line 7, C-A- 7401 (0130) OFI Provide funding GF FY15 \$1,559,753

This initiative provides funding in order to meet projected obligations in the General Assistance program. The total appropriation for this account for fiscal year 2014-15 is \$12,148,875 with expenditures of \$10.1 and \$12.2 million in fiscal year 2012-13 and fiscal year 2013-14, respectively. Projected expenditures assume a 5% annual growth, based on growth from 2013 to 2014. Based on current projections, obligations will not be met for SFY15.

Riverview Psychiatric Center

This bill would invest \$2.762 (all funds) million into Riverview above the current baseline. The majority (62%) of new funding initiatives for SFY15 will go to direct support staff which is carried over into the FY 16/17 biennium Initiative Requests. Nearly half (45%) of the request is for one-time infrastructure and costs associated with short term staffing needs to address patient and staff safety over the past fiscal year. This proposal and the budget proposal for '15 and '17 is the product of considerable review and analysis by the team at Riverview as well as recent work conducted by the Court Master, Dan Wathen and his consultant, Elizabeth Jones. Ms. Jones was the previous receiver at AMHI many years ago and recently prepared a report to the court master based on a 3 day review at the hospital. Ms. Jones held meetings with front line staff on all three shifts to gather the views on their needs. Her findings based on these interviews were fully reviewed by Superintendent Harper and reflected in his budget development. The court master has also reviewed the hospital's budget proposal and has expressed support for these requests and that that these are consistent with the Jones report.

HHS 1 & 2, Page 2, Line 7, & Page 7, Line 18, C-A- 5502 (0733, 0105) RPC Provides funding GF FY15 \$34,218 OSR FY15 \$55,782

This initiative provides funding for repair of sidewalks around Riverview Psychiatric Hospital. Funding is required to repair sidewalks as they are a current hazard and could lead to patient/staff injury. Riverview and Dorothea Dix remain responsible for their own buildings and grounds maintenance unlike other state-owned buildings that are the responsibility of the Bureau of General Services.

HHS 3 & 4, Page 2, Line 13, & Page 7, Line 26, C-A- 5507 (0733, 0105) RPC Provides funding GF FY15 \$30,020 OSR FY15 \$48,980

This initiative provides funding for Riverview Psychiatric Center to upgrade their current duress system. The current duress system is an analog system and the hospital has been unable to find replacement parts. The hospital needs to move to a digital system.

HHS 5 & 6, Page 2, Line 20, & Page 8, Line 3, C-A- 5508 (0733, 0105) RPC Provides funding GF FY15 \$345,421 OSR FY15 \$568,809

This initiative provides funding for locum tenens cost overruns due to physician vacancies. Riverview has difficulty filling contracted staff psychiatrist positions. Due to this, Riverview has had to rely on locum tenens psychiatrists at a higher cost than staff psychiatrists which has caused budget overruns during fiscal year 2013-14 and is anticipated to continue through fiscal year 2014-15. We have a proposal to move to state lines in the biennial budget as a means of addressing this challenge.

HHS 7 & 8, Page 2, Line 26, & Page 8, Line 11, C-A- 5509 (0733, 0105) RPC Reorganize GF FY15 \$1,308 OSR FY15 \$2,118

This initiative reorganizes 2 Mental Health Worker II positions to Acuity Specialist positions to address the needs of the hospital. The Center for Medicare and Medicaid Services requires sufficient staffing to ensure a culture of safety. We have seen tremendous success with the introduction of acuity specialists at the hospital in our forensic unit. We currently have 8 acuity specialists at the hospital and are requesting 4 in this supplemental and another 12 in the biennial budget. As a result of these new positions, the hospital has experienced a reduction in the use of restraint and seclusion and in emergency psychiatric interventions. This initiative is necessary due to increased patient and staff injury rates.

HHS 10, Page 8, Line 20, C-A- 5511 (0105) RPC Provides funding GF FY15 \$40,000

This initiative provides funding for renovations of the Lower Saco unit of Riverview Psychiatric Center. The Lower Saco unit is the space presently utilized to house the most violent of the forensic population. This space is in need of renovations to house more violent patients.

HHS 11, Page 8, Line 27, C-A- 5512 (0105) RPC Provides funding GF FY15 \$60,864

This initiative provides funding for a lease agreement for the Office of Outpatient Services. The Office of Outpatient Services (formerly Riverview's ACT Team) was located at the Marquardt Building on the AMHI Complex. Due to needed renovations, the office moved to leased space in May of 2014, and the annual lease is \$60,864. This initiative is continued in the biennial budget proposal (initiative CA31).

HHS 12 & 13, Page 2, Line 33, & Page 9, Line 2, 1 C-A- 5513 (0733, 0105) RPC Provides funding GF FY15 \$4,166 OSR \$6,764

This initiative provides funding for additional survey work performed by the Joint Commission requested by the Center for Medicare and Medicaid Services. The Center for Medicare and Medicaid

Services requested that the Joint Commission on hospital accreditation perform a two day unannounced follow-up survey to review Riverview's plan of action for concerns addressed during the May 2014 visit. This expense is not part of the three year accreditation survey that was held in the spring of 2014.

HHS 14 & 15, Page 3, Line 8, & Page 9, Line 12, C-A- 5514 (0733, 0105) RPC Provides funding GF FY15 \$7,624 OSR \$12,396

This initiative provides funding for staff training. Staff training is necessary to gain, develop and renew skills, knowledge and abilities to provide state of the art consumer-centered inpatient psychiatric care. This initiative is continued in the biennial budget proposal (initiative CA34). These funds are in addition to approximately \$47,000.00 already budgeted and available.

HHS 16 & 17, Page 3, Line 14, & Page 9, Line 20, C-A- 5515 (0733, 0105) RPC Provides funding GF FY15 \$55,477 OSR \$90,055

This initiative provides funding for one full-time contracted Pharmacist to provide sufficient coverage as well as substantially increasing compliance with the Center of Medicaid and Medicare Services reviewed indicators. This initiative is continued in the biennial budget proposal (initiative CA36).

HHS 18 - 22, Page 3, Line 20, & Page 9, Line 28, C-A- 7045 (0733, 0105) RPC Establish positions GF FY15 \$23,922 OSR \$39,540

This initiative establishes 3 Hospital Nurse I positions and provides funding in All Other to support the positions. This initiative establishes 3 Hospital Nurse I positions to align staffing levels to acuity of care for the safety of patients and staff which corresponds with the recommendations from the recent report provided to the Court Master.

HHS 23 - 27, Page 3, Line 28, & Page 10, Line 10, C-A- 7046 (0733, 0105) RPC Establish positions GF FY16 \$24,912 OSR \$41,185

This initiative establishes 3 Hospital Nurse II positions and provides funding in All Other to support the positions. This initiative establishes 3 Hospital Nurse II positions to align staffing levels to acuity of care for the safety of patients and staff which corresponds with the recommendations from the recent report provided to the Court Master.

HHS 28 - 32, Page 4, Line 6 & Page 10, Line 22, C-A- 7047 (0733, 0105) RPC Establish positions GF FY15 \$81,094 OSR FY15 \$151,934

This initiative establishes 12 Acuity Specialists to support client relationships and assist Riverview with reaching and maintaining staffing levels to address deficiencies related to the Court Master report. These acuity specialists are specially trained to identify patient triggers, anticipate possible escalation in patient behaviors and appropriately intervene to support improved patient and staff safety as well as patient care. This initiative provides funding in All Other to support the positions.

HHS 33 - 37, Page 4, Line 14, & Page 10, Line 34, C-A- 7049 (0733, 0105) RPC Establish positions GF FY15 \$5,429 OSR FY15 \$8,972

This initiative establishes one Office Assistant II position and provides funding in All Other to support the position. This position will be required to file confidential documents, general business correspondence, and to operate routine office equipment while assisting various Director level positions.

HHS 38 & 39, Page 4, Line 22, & Page 11, Line 10, C-A- 7050 (0733, 0105) RPC Provide funding GF FY15 \$9,688 OSR FY15 \$16,011

This initiative provides funding to upgrade the current video recording system at Riverview Psychiatric Center. The current video recording system has been developed over multiple years and is inadequate to capture and retain necessary footage to document important events that can occur throughout the hospital. This upgrade will enable security to maintain records longer than 28 days and also cover more areas of the hospital.

HHS 40 – 44, Page 4, Line 29, & Page 11, Line 19, C-A- 7051 (0733, 0105) RPC Establish positions GF FY15 \$17,856 OSR \$29,228

This initiative establishes two Nurse III positions to align staffing levels to acuity of care for the safety of patients and staff which corresponds with the recommendations from the Elizabeth Jones report.

HHS 45 & 46, Page 5, Line 6, & Page 11, Line 31, C-A- 7151 (0733, 0105) RPC Provide funding GF FY15 \$27,301 OSR FY15 \$45,123

This initiative provides funding for additional contracted nursing staff. RPC relies heavily on contracted nurses and additional funding is necessary to ensure RPC is able to maintain the required levels of nursing staff throughout the fiscal year. This initiative also ties to the independent consultant's report to ensure adequate staffing levels are maintained based on patient acuity.

HHS 47 & 48, Page 5, Line 12, & Page 12, Line 3, C-A- 7400 (0733, 0105) RPC Provide funding GF FY15 \$273,676 OSR FY15 \$452,330

This initiative provides funding for a new electronic medical record system for the Riverview Psychiatric Center and the Dorothea Dix Psychiatric Center. A new electronic medical records system is required to ensure the hospitals remain in compliance with the Affordable Care Act. This initiative provides funding for a new electronic medical record system for the Riverview Psychiatric Center and the Dorothea Dix Psychiatric Center. A new electronic medical records system is required to ensure the hospitals remain in compliance with the Affordable Care Act. The Department has partnered with another health system to implement a new EMR system that meets the needs of the State. Our ability to partner on this project rather than procure an entirely new system has nearly cut the cost of this project in half.

HHS 49 – 53, Page 5, Line 19, & Page 12, Line 12, C-A- 7404 (0733, 0105) RPC Establish positions GF FY15 \$12,441 OSR \$20,556

This initiative establishes 2 Mental Health Worker I positions and provides funding in All Other to support the positions. Additional Mental Health Worker I positions are necessary to align staffing levels to acuity of care for patients and staff, which corresponds with the recommendations the independent consultant's report as ordered by the Court Master.

HHS 54 – 58, Page 5, Line 27, & Page 12, Line 24, C-A- 7405 (0733, 0105) RPC Establish positions GF FY15 \$6,965 OSR \$11,514

This initiative establishes one Field Investigator position in order to streamline the investigative process and provides funding in All Other to support the position. This Field Investigator position will report directly to the Director of Quality and Informatics and will conduct internal investigations related to allegations of abuse, neglect or exploitation of clients. This position may also assist with fact-finding and other types of internal investigations.

HHS 59 – 63, Page 6, Line 2, & Page 13, Line 1, C-A- 7407 (0733, 0105) RPC Establish position GF FY15 \$8,024 OSR \$13,253

This initiative establishes one Social Services Program Specialist II to serve as a recruiting specialist and provides funding for related All Other costs. This Social Services Program Specialist II position will develop partnerships with area colleges and universities in order to actively recruit the most qualified staff in the area. The position will also be responsible for marketing and development of on-line as well as printed materials.

HHS 64 – 68, Page 6, Line 10, & Page 13, Line 13, C-A- 7408 (0733, 0105) RPC Establish position GF FY15 \$7,136 OSR \$11,793

This initiative establishes one Public Service Coordinator I position to oversee performance improvement activities in the hospital and provides funding for related All Other costs. This Public Service Coordinator I position will be responsible for performance improvement at the Riverview Psychiatric Center. This position will interact with regulatory bodies, assist with plans of corrective action, monitor the hospital for compliance with regulations and will be the lead in performance improvement activities.

HHS 69 – 73, Page 6, Line 18, & Page 13, Line 25, C-A- 7409 (0733, 0105) RPC Establish position GF FY15 \$10,325 OSR \$17,067

This initiative establishes one Public Service Manager II position and provides funding for related All Other costs. This position will act as the Director of Quality and Informatics and will oversee all quality and performance related activities.

HHS 74 – 78, Page 6, Line 26, & Page 13, Line 37, C-A- 7410 (0733, 0105) RPC Establish position GF FY15 \$11,840 OSR \$19,567

This initiative establishes 2 Mental Health Worker II positions and provides funding for related All Other costs. These two Mental Health Worker II positions will align staffing levels to acuity of care for patients and staff, which correspond with the recommendations from the independent consultant's report ordered by the Court Master.