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State of Maine  
ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE  
COMMITTEE ON HEALTH AND HUMAN SERVICES

MEMORANDUM

To: Senator G. William Diamond, Senate Chair  
Representative Emily Ann Cain, House Chair  
Joint Standing Committee on Appropriations and Financial Affairs

From: Joseph C. Brannigan, Senate Chair  
Anne C. Perry, House Chair  
Joint Standing Committee on Health and Human Services

Date: February 24, 2010

Re: Continuing work on HHS Committee recommendations on LD 1671

Thank you for providing the Health and Human Services Committee the opportunity to give the Appropriations Committee additional recommendations on LD 1671. We have worked on the supplemental budget and, with the spreadsheet and Attachments A through H, will report on the following issues and language items in the Change Package:

1. Developmental services/mental retardation account issues (Items 29-43): Rep. Linda Sanborn and Rep. Peter Stuckey
2. Service provider taxes/health care provider taxes: Rep. Anne Perry
3. Elderly Low-cost Drug program (Item 56): Rep. Sally Lewin, Rep. Meredith Strang-Burgess and Rep. Henry Joy
4. Hospital initiatives and 5 admissions limit to hospital (Items 96-98, 110-115): Rep. Anne Perry
5. 10% across the board cuts in MaineCare reimbursement rates (Items 7, 20, 58, 146, 167): Sen. Lisa Marrache
6. Nursing facilities/Long-term care issues/Consumer-directed services (Items 51, 52-55, 58-61): Sen. Joseph Brannigan, Rep. James Campbell, Rep. Matthew Peterson
7. Miscellaneous ideas for savings (contracts, \$6million new spending): Rep. Patricia Jones
8. Mobile crisis services for children and adults, nonMaineCare (Item 2 contract #16 only, and Item 17): Rep. Mark Eves
9. MaineCare sheltering assets (annuities and income producing property)(Items 127, 128) and MaineCare estate recovery (elective share and joint tenancy in real estate) (Items 134, 135): Sen. Peter Mills
10. Children's services MaineCare waiver (Items 13-15): Rep. Peter Stuckey

| Line # | Prog. Code | Program                            | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class | Fund                        | Unit | Line Number | HHS Notes   | HHS Vote   | FY 10 Total   | FY 11 Total   |
|--------|------------|------------------------------------|--------------|--|--|-----------------|-----------------------------|------|-------------|---|--|---------------|---------------|
| 1      | 105        | Riverview Psychiatric Center       | F-A-1910     | Provides funding for medical services contracts.   | This initiative funds physician and nursing services contracts. The inability to successfully recruit nurses and physicians requires Riverview to use contractual positions to maintain staffing ratios as mandated by the Consent Decree.   | Adult MH        | Other Special Revenue Funds | 22   | 139         |   | Y  | \$504,890     | \$504,890     |
| 2      | 121        | Mental Health Services - Community | F-A-7200     | Reduces funding for non-MaineCare services other than housing and medication management.   | This initiative reduces funding that provides coverage for MaineCare-like services to people who are not eligible for MaineCare. The impact will be: 40 people will no longer receive ACT services, 13 people will no longer receive living supports, 364 people will no longer receive community integration and various contracts with advocacy and support organizations will be ended. | Adult MH        | General Fund                | 2    | 150         | See list of account 0121 cuts in FY10 and FY11 and list of mental health services retained. Much testimony against cuts to NAMI (\$55,000 in FY10 and \$220,000 in FY11). Funds pay training for volunteers. Testimony suggested working group to identify savings. Info requested on NAMI budget and volunteer hours value in Maine and other states and on NAMI budget. Testimony against cuts to non-MaineCare ACT services (\$146,000 in FY10 and \$585,000 in FY11) and Me Center on Deafness and sexual assault services funds cut of \$34,430 in FY10 and \$137,723 in FY11. Testimony against hospital management of crisis services (8 district mobile crisis programs cut \$1,350,000 in FY11). | Split voting. See attachment A for separate votes on the 17 contracts in this initiative. See item #17 for children's mobile crisis services, related to contract #16. | (\$1,341,864) | (\$4,579,469) |
| 3      | 120        | Dorothea Dix Psychiatric Center    | F-A-7201     | Reduces funding for the Dorothea Dix Psychiatric Center.   | The reduction in this account will be absorbed by the Dorothea Dix Psychiatric Center.   | Adult MH        | General Fund                | 55   | 147         | Funds not needed.   | Y  | \$0           | (\$500,000)   |
| 4      | 121        | Mental Health Services - Community | F-A-7254     | Reduces funding for contracted vocational services. Funding in the same amount will be appropriated to the Department of Labor and matched with federal funds and used for the same purpose. | This initiative reduces funding in the Office of Adult Mental Health Services used for contracted vocational services. A corresponding appropriation to the Department of Labor will be used to match funding from the Rehabilitation Services Administration and be used for the same purpose.  | Adult MH        | General Fund                | 2    | 151         | Clarification needed of program use in 2010 in DHHS and in DOL in 2011, purposes, consumers, budget, impact of change.  | Y  | \$0           | (\$304,000)   |

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|--------|------------|---|--------------|--|--|-----------------|--------------|------------------|-----------|--|---|-------------|---------------|
| 5      | 732        | Mental Health Services - Community Medicaid | F-A-7268     | Reduces funding by limiting mental health outpatient therapy to 18 visits per year. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program.   | The Department proposes to limit mental health outpatient therapy paid under Section 65 of the MaineCare Benefits Manual to 18 visits per year (72 units) for adults. During the year reviewed, 19,942 adults received this service with 4,267 receiving more than 18 visits. The department will also adopt more stringent eligibility criteria for children who receive more than 18 visits (72 units) per year to limit services to only those children at risk for out of home or hospital placement. During the year reviewed, 13,923 children receive this service with 3,935 receiving more than 18 visits. These two efforts will reduce spending by approximately \$4,611,390 or \$1,427,225 in General Fund. | Adult MH        | General Fund | 14               | 190       | DHHS states that there will be no limit on medication management visits and that 18 is a hard limit for adults, no authorization above that. Info requested on whether for adult populations on all the benefit limits there will be exceptions. Info requested on standards for children's MH continued stay review inpatient and prior authorization outpatient. Info requested on possible streamlining of eligibility/care entry process for adults and children. Possibilities Counseling Inc. testified to clients who are required by their physicians to go to therapy sessions weekly, also have monthly physician visits. Limit of 18 visits would conflict with medical treatment. Also testified to frequent sessions required by adult and juvenile probation officers and courts when parents have children in child welfare services. Frequent visits also required for victims of psychological stress, violence, post traumatic stress syndrome. Todd Goodwin, Mid Coast Hospital, stated that mental health cuts will cause 5% loss in FY10 and 20% loss in FY11, and the wait list is over 200 pers | Y, amended to impose soft cap allowing 30% of members to get over 18 visits and allowing unlimited group therapy. See also item 19 for children's outpatient therapy services. Item 18 is FEP of this item and item 19. | \$0         | (\$742,498)   |
| 7      | 732        | Mental Health Services - Community Medicaid | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. <b>CP 1 modifies initiative text.</b>   | Adult MH        | General Fund | 14               | 192       | Richard Farnsworth, Woodfords Family Services, testified against, citing underpayment history. Much testimony against 10% rate cut. Ana Hicks, MEJP, questioned legality of cut in this manner, citing federal law on Medicaid service amount, scope and duration and ADA prohibition on limits that could lead to institutionalization of persons age 65 and over. Shelom House stated this will cause 350 persons to lose residential and group care. Bob Long, KV Behavioral Health, stated this cut and prior cuts will amount to 22% rate reduction.  | N, 2/19   | \$0         | (\$4,525,641) |

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| 8      | 147 Medical Care - Payments to Providers | F-A-7273     | Reduces funding by restricting the use of antipsychotic drugs and by strengthening policies to require use of the most cost-effective option when more than one version of a unique chemical entity exists. | Approximately \$600K in savings would be achieved restricting the use of antipsychotic drugs to a) FDA approved indications, and b) other indications only when supported by published peer reviewed randomized controlled trials and when other FDA approved therapies have failed. The loss of rebates on atypical drug utilization that would be eliminated is reflected in the projected savings. In addition, \$400K in savings would be achieved by establishing new requirements to govern the use of a less cost effective version of a drug when more than one version of the same drug exists. Whenever more than one version of a unique chemical entity exists, only the most cost effective version would be payable unless at least one of the following conditions exists: a) the less cost effective version has demonstrated clinically meaningful superior outcomes or safety in peer reviewed published randomized trials, or b) the more cost effective version is not available through a nearby or mail order MaineCare pharmacy. | Adult MH        | General Fund              | 1    | 789 DHHS talking with advocates about this proposal. May be reworked. Maine Assoc Psychiatric Physicians suggests this proposal lacks physician input, requires input of professionals with clinical expertise. | Y, amended to impose controls on atypical for new users (\$175,000), to decrease the use of narcotics thru evidence based addiction management and reduction in the use of antibiotics (\$425,000) and to increase the use of generics (\$400,000) | \$0         | (\$1,000,000) |
| 9      | 147 Medical Care - Payments to Providers | F-A-7273     | Reduces funding by restricting the use of antipsychotic drugs and by strengthening policies to require use of the most cost-effective option when more than one version of a unique chemical entity exists. | Approximately \$600K in savings would be achieved restricting the use of antipsychotic drugs to a) FDA approved indications, and b) other indications only when supported by published peer reviewed randomized controlled trials and when other FDA approved therapies have failed. The loss of rebates on atypical drug utilization that would be eliminated is reflected in the projected savings. In addition, \$400K in savings would be achieved by establishing new requirements to govern the use of a less cost effective version of a drug when more than one version of the same drug exists. Whenever more than one version of a unique chemical entity exists, only the most cost effective version would be payable unless at least one of the following conditions exists: a) the less cost effective version has demonstrated clinically meaningful superior outcomes or safety in peer reviewed published randomized trials, or b) the more cost effective version is not available through a nearby or mail order MaineCare pharmacy. | Adult MH        | Federal Expenditures Fund | 1    | 790   | Y, amended to impose controls on atypical for new users (\$175,000), to decrease the use of narcotics thru evidence based addiction management and reduction in the use of antibiotics (\$425,000) and to increase the use of generics (\$400,000) | \$0         | (\$2,231,018) |



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| 10     | 121        | Mental Health Services - Community   | F-A-7282     | Eliminates one Physician III position in the Mental Health Services - Community program and reduces one Physician III position to part-time in the Mental Health Services - Children program. | This initiative eliminates 1.5 positions from various department accounts in order to keep expenditures in line with available funding.   | Adult MH            | General Fund                | 2    | 153         | Maine Medical Center opposed cut of MH Medical Director psychiatrist position, citing MH drug overdoses and NE Poison Control Center, need for oversight and coordination of care. Me Assoc Psychiatric Physicians opposed MH medical position cut, stressed worth and asked expand duties to MaineCare. | Y  | \$0         | (\$245,383) |
| 11     | Z074       | Maine Children's Growth Council      | F-A-1100     | Provides funding for a grant from the National Governor's Association.  | This initiative provides funding for the second year of a grant received from the National Governor's Association to be used to fund a summit on early childhood issues.  | Children's Services | Other Special Revenue Funds | 1    | 1016        |  | Y  | \$0         | \$10,000    |
| 12     | 137        | W-E Foster Care/Adoption Assistance  | F-A-7207     | Reduces funding by streamlining adoptive family recruitment using technology.   | A recent DHHS website enhancement has created a more streamlined approach to recruitment of adoptive families. This new enhancement now provides families curricula about adoption and seeking information online (by far the most used medium) a simple, progressive three step process to: a) learn about the adoption process; b) view photos and descriptions of children awaiting permanency; and c) put the families in touch with a real person to discuss the child in more detail. The simple process begins with just one mouse click on the link entitled "How do I adopt a child from DHHS?" This enhancement can effectively replace the website service provided by International Adoption Services Center.   | Children's Services | General Fund                | 1    | 572         | \$112,000 cut was proposed for FY 10 and rejected in PL 2009, chapter 213.   | Y  | (\$112,500) | (\$450,000) |
| 13     | 147        | Medical Care - Payments to Providers | F-A-7208     | Reduces funding to reflect the savings associated with the creation of a children's waiver.   | Children's Behavioral Health Services will work with the federal Centers for Medicare and Medicaid Services and the Office of MaineCare Services to implement a new section of MaineCare policy to serve children. It is anticipated that there would be approximately 40 children across Children's Behavioral Health and Child Welfare Services that would be served in the waiver program at a state expenditure of approximately \$29,720 per child per year. These children would otherwise be receiving services in a facility such as a private nonmedical institution (PNMI) at an annual state expenditure of \$99,097. This initiative would generate savings of \$29,377 per child per year or up to \$979,560 in General Fund expenditures for 40 children after being adjusted for the PNMI tax. | Children's Services | General Fund                | 1    | 724         | Julia Bell, DD Council, questions how quickly waiver can be obtained and savings achieved. Is this amount 12 months of savings?  | Y, 2/19; assumes prompt approval of waiver by CMS. | \$0         | (\$979,560) |

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| 14     | 147        | Medical Care - Payments to Providers        | F-A-7208     | Reduces funding to reflect the savings associated with the creation of a children's waiver. | Children's Behavioral Health Services will work with the federal Centers for Medicare and Medicaid Services and the Office of MaineCare Services to implement a new section of MaineCare policy to serve children. It is anticipated that there would be approximately 40 children across Children's Behavioral Health and Child Welfare Services that would be served in the waiver program at a state expenditure of approximately \$29,720 per child per year. These children would otherwise be receiving services in a facility such as a private, nonmedical institution (PNMI) at an annual state expenditure of \$59,097. This initiative would generate savings of \$29,377 per child per year or up to \$979,560 in General Fund expenditures for 40 children after being adjusted for the PNMI tax. | Children's Services | Federal Expenditures Fund      | 1 725       |           | Y, 2/19, assumes prompt approval of waiver by CMS. | \$0         | (\$2,116,258) |
| 15     | 147        | Medical Care - Payments to Providers        | F-A-7208     | Reduces funding to reflect the savings associated with the creation of a children's waiver. | Children's Behavioral Health Services will work with the federal Centers for Medicare and Medicaid Services and the Office of MaineCare Services to implement a new section of MaineCare policy to serve children. It is anticipated that there would be approximately 40 children across Children's Behavioral Health and Child Welfare Services that would be served in the waiver program at a state expenditure of approximately \$29,720 per child per year. These children would otherwise be receiving services in a facility such as a private, nonmedical institution (PNMI) at an annual state expenditure of \$59,097. This initiative would generate savings of \$29,377 per child per year or up to \$979,560 in General Fund expenditures for 40 children after being adjusted for the PNMI tax. | Children's Services | Federal Expenditures Fund ARRA | 1 726       |           | Y, 2/19, assumes prompt approval of waiver by CMS. | \$0         | (\$160,698)   |
| 16     | Z008       | Maternal and Child Health Block Grant Match | F-A-7223     | Reduces funding not required for matching purposes.   | This initiative will reduce funding in General Fund accounts administered by the Maine Center for Disease Control and Prevention. This includes a reduction in fiscal year 2009-10 of \$400,000 that is available from amounts that carried into the account from fiscal year 2008-09 and fiscal year 2010-11 reductions in the Office of the Maine CDC Director, Division of Environmental Health, Infectious Disease, Chronic Disease and Public Health Systems, including the Health, Environmental Testing Lab and the Maternal and Child Health Unit of the Division of Family Health.  | Children's Services | General Fund                   | 1 917       |           | Y  | (\$400,000) | (\$100,000)   |

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| 17     | 136 Mental Health Services - Children    | F-A-7224     | Reduces funding for non-MaineCare children's crisis services.  | This budget initiative will be undertaken in collaboration with the Office of Adult Mental Health Services in order to achieve the best efficiencies. Reductions are proposed for fiscal year 2009-10 by taking an across-the-board cut across the 6 community agencies that currently provide children's mobile crisis services. Funding reductions in fiscal year 2010-11 will be achieved by creating a statewide administrative structure.   | Children's Services | General Fund              | 7    | 165         | DHHS indicates they are talking with providers of crisis services. Info needed on implementation plan for cuts, in 2011 on breakdown of cuts and admin savings. One provider of MH services suggested increasing 10% across the board provider rate cut to 10.4%, using increased cut to pay for crisis services non-hospital based delivery system. Lynn Duby, Crisis and Counseling Services, suggests behavioral health provider tax (Bart Beattie, Providence Service Corp, suggests 5%), maximization of Medicaid, review of GF accounts to determine impact of 2% across the board reduction where there is no federal match (MAMHS endorses), and review of barriers to decreasing MH inpatient hospital admissions. Information needed on relationship to cut embedded in item 2 adult mental health mobile crisis services, \$1,350,000 in FY11. | Voted 2/19, Y in FY10 and N in FY11. See also item #2, contract #16 on adult mobile crisis services, voted N 2/19. | (\$310,000)   | (\$840,000) |               |
| 18     | 147 Medical Care - Payments to Providers | F-A-7268     | Reduces funding by limiting mental health outpatient therapy to 18 visits per year. The corresponding state funding decreases are in the Mental Health Services - Child Medicaid and Mental Health Services - Community Medicaid programs. | The Department proposes to limit mental health outpatient therapy paid under Section 65 of the MaineCare Benefits Manual to 18 visits per year (72 units) for adults. During the year reviewed, 19,942 adults received this service with 4,267 receiving more than 18 visits. The department will also adopt more stringent eligibility criteria for children who receive more than 18 visits (72 units) per year to limit services to only those children at risk for out-of-home or hospital placement. During the year reviewed, 13,923 children receive this service with 3,935 receiving more than 18 visits. These two efforts will reduce spending by approximately \$4,611,390 or \$1,427,225 in General Fund. | Children's Services | Federal Expenditures Fund | 1    | 777         |   |  | Y, amend to impose soft cap, allowing 30% of members to get over 18 visits and allow unlimited group therapy. DHHS will institute protections for children's EPSDT services as required for Medicaid. This is FFP for items 5 and 19. | \$0         | (\$3,184,164) |

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| 19     | Mental Health Services - Child Medicaid | F-A-7268     | Reduces funding by limiting mental health outpatient therapy to 18 visits per year. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program.   | The Department proposes to limit mental health outpatient therapy paid under Section 65 of the MaineCare Benefits Manual to 18 visits per year (72 units) for adults. During the year reviewed, 19,942 adults received this service with 4,267 receiving more than 18 visits. The department will also adopt more stringent eligibility criteria for children who receive more than 18 visits (72 units) per year to limit services to only those children at risk for out of home or hospital placement. During the year reviewed, 13,923 children receive this service with 3,935 receiving more than 18 visits. These two efforts will reduce spending by approximately \$4,611,390 or \$1,427,225 in General Fund. | Children's Services | General Fund | 17   | 185         | Info needed on how MaineCare benefits to children can be limited. DHHS indicates medically necessary services above 18 will be prior authorized. Info requested on child mh services and providers. Information requested about how mental health benefits for children are managed now and how they would be managed under this initiative. Richard Farnsworth, Woodfords Family Services testified against. Others opposed service limit and suggested treatment review board like drug utilization review board. | Y, amended to impose soft cap, allowing 30% of members to get over 18 visits and allow unlimited group therapy. DHHS will institute protections for children's EPSDT services as required for Medicaid. FFP match for this item and item 5 is in item 18. | \$0         | (\$684,727)   |
| 20     | Mental Health Services - Child Medicaid | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text.  | Children's Services | General Fund | 17   | 186         | Info needed on how savings will be achieved, rate cut or fewer children served? WL? Question raised about compliance with Medicaid requirements for services to children. Therapeutic foster care parents said this would cause 6% rate decrease. Broad opposition to 10% cut. NFI North opposed 10% cut as applied to PNMs.  | N, 2/19   | \$0         | (\$1,544,951) |
| 21     | Mental Health Services - Children       | F-A-7282     | Eliminates one Physician III position in the Mental Health Services - Community program and reduces one Physician III position to part-time in the Mental Health Services - Children program.  | This initiative eliminates 1.5 positions from various department accounts in order to keep expenditures in line with available funding.  | Children's Services | General Fund | 7    | 166         | See item 10.  | Y   | \$0         | (\$120,515)   |
| 22     | Department wide                         | F-A-7252     | Adjusts funding to distribute the departmentwide deappropriation included in Public Law 2009, chapter 213. Part A related to a social security income cost-of-living increase.   | Public Law 2009, c. 213, Part A included General Fund deappropriations of \$4,000,000 per year from savings due to a Social Security income cost-of-living increase. This initiative distributes those savings to the Medical Care Services account which realized those savings.  | Department wide     | General Fund | 1    | 137         |   | Y   | \$4,000,000 | \$4,000,000   |



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| 23     | 147 Medical Care - Payments to Providers    | F-A-7253     | Adjusts funding to distribute the departmentwide deappropriation included in Public Law 2009, chapter 213, Part A related to a social security income cost-of-living increase. | Public Law 2009, c. 213, Part A included General Fund deappropriations of \$4,000,000 per year from savings due to a Social Security Income cost-of-living increase. This initiative distributes those savings to the Medical Care Services account which realized those savings.  | Departmental           | General Fund                | 1 754       |  | Y        | (\$4,000,000) | (\$4,000,000) |
| 24     | 814 Freeport Towne Square                   | F-A-1310     | Reduces funding in the Freeport Towne Square program; Other Special Revenue Funds account that is no longer necessary  | This initiative will eliminate allocation in this account following the sale of Freeport Towne Square.   | Developmental Services | Other Special Revenue Funds | 77 200      |  | Y        | (\$89,085)    | (\$89,085)    |
| 25     | 705 Medicaid Services - Mental Retardation  | F-A-1852     | Provides funding for the Mental Retardation Waiver - Supports program through a reduction in the Medicaid Services - Mental Retardation program.                               | The Mental Retardation Supports Waiver was designed to offer support to qualified individuals. Many of these individuals were formerly receiving services under the MaineCare Benefits Manual, Section 24 Day Habilitation policy. Upon the Section 24 policy elimination, the funds previously used to fund Day Habilitation should be transferred to the MR Supports account in order to fund the Supports Waiver. | Developmental Services | General Fund                | 12 173      | Info needed on account balance, effect of cut. | Y        | (\$4,222,447) | (\$4,222,447) |
| 26     | 2006 Mental Retardation Waiver - Supports   | F-A-1852     | Provides funding for the Mental Retardation Waiver - Supports program through a reduction in the Medicaid Services - Mental Retardation program.                               | The Mental Retardation Supports Waiver was designed to offer support to qualified individuals. Many of these individuals were formerly receiving services under the MaineCare Benefits Manual, Section 24 Day Habilitation policy. Upon the Section 24 policy elimination, the funds previously used to fund Day Habilitation should be transferred to the MR Supports account in order to fund the Supports Waiver. | Developmental Services | General Fund                | 1 219       |  | Y        | \$4,222,447   | \$4,222,447   |
| 27     | 122 Mental Retardation Services - Community | F-A-1913     | Provides funding for an anticipated shortfall in the Office of Advocacy program through a reduction in the Mental Retardation Services - Community program.                    | This initiative funds a projected shortfall within the Office of Advocacy by reducing the funding in the Mental Retardation Community account.   | Developmental Services | General Fund                | 60 156      |  | Y        | -8129         | -8129         |
| 28     | 632 Office of Advocacy - BDS                | F-A-1913     | Provides funding for an anticipated shortfall in the Office of Advocacy - BDS program through a reduction in the Mental Retardation Services - Community program.              | This initiative funds a projected shortfall within the Office of Advocacy by reducing the funding in the Mental Retardation Community account.   | Developmental Services | General Fund                | 42 168      |  | Y        | 8129          | 8129          |

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| 29     | 122          | F-A-7202     | Reduces funding by decreasing room and board subsidies.   | Developmental Services provides rent subsidy to offset the room and board costs that are not sufficiently covered by the individuals' SSI or other benefits for group homes. The department proposes curtailing current contracts and reducing fiscal year 2010-11 contracts.  | Developmental Services | General Fund                   | 60   | 157         | Info needed on implementation, effect of cut. Brenda Leavitt, OHI and MACSP, testified against cut in room and board payment, saying OHI FY 09 deficit was \$127,624, this year already running a deficit in occupancy income of \$152,672. | N, 2/19.     | (\$808,256) | (\$1,022,207) |
| 30     | 147          | F-A-7204     | Reduces funding by centralizing the administration of shared living services. The corresponding state funding decrease is in the Mental Retardation Waiver - MaineCare program. | There are 452 individuals who reside in 'shared living' homes. The current model reimbursed through the comprehensive waiver is designed to contract with qualified agencies who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. Six new employees will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead. | Developmental Services | Federal Expenditures Fund      | 1    | 721         |   | See item 33. | \$0         | (\$4,791,805) |
| 31     | 147          | F-A-7204     | Reduces funding by centralizing the administration of shared living services. The corresponding state funding decrease is in the Mental Retardation Waiver - MaineCare program. | There are 452 individuals who reside in 'shared living' homes. The current model reimbursed through the comprehensive waiver is designed to contract with qualified agencies who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. Six new employees will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead. | Developmental Services | Federal Expenditures Fund ARRA | 1    | 722         |   | See item 33. | \$0         | (\$394,310)   |



| Line # | Prog. Code | Program                                     | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class        | Fund                        | Unit Number | HHS Notes   | HHS Vote   | FY 10 Total | FY 11 Total   |
|--------|------------|---|--------------|--|--|------------------------|-----------------------------|-------------|---|--|-------------|---------------|
| 32     | 732        | Mental Health Services - Community Medicaid | F-A-7204     | Reduces funding by centralizing the administration of shared living services. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program. | There are 452 individuals who reside in 'shared living' homes. The current model reimbursed through the comprehensive waiver is designed to contract with qualified agencies who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. Six new employees will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead. | Developmental Services | Other Special Revenue Funds | 46 188      |   | See item 33.   | \$0         | (\$429,400)   |
| 33     | 987        | Mental Retardation Waiver - MaineCare       | F-A-7204     | Reduces funding by centralizing the administration of shared living services. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program. | There are 452 individuals who reside in 'shared living' homes. The current model reimbursed through the comprehensive waiver is designed to contract with qualified agencies who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. Six new employees will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead. | Developmental Services | General Fund                | 16 211      | Info needed on implementation, effect of cut. One-pager needed to explain savings and costs and joint admin in MH and MR programs. Supports Solutions (provides direct service, admin, case management in shared living) testified against, citing proposed caseload of 68 (DD Council says caseload average will be 75) and availability of emergency care. 21 agencies provide admin services. Subject to confirmation - shared living provider pay is \$30,000 from State and \$7000 from individual. Joe Kuhn, BFLI, opposed and provided suggestions regarding reimbursement for shared living, cutting profit margin. Consumers and their families testified against State employees providing oversight, questioned whether 6 persons can provide appropriate oversight. Information requested on agencies that will be impacted most, that may go out of business. Input from Community Consent decree Court Master Sundrum and plaintiffs Consumer Advisory Board on all MR/DD cuts. Info requested on whether agencies can realize savings by pooled purchasing and contracting. Consumer Advisory Board questions affe | Y: 2/19, for savings of \$852,551 in FY11 based on systems redesign in administrative services, requires CMS approval of waiver renewal. | \$0         | (\$2,324,551) |

| Line # | Program Code | Program                                 | Initiative # | Initiative Text  | Initiative Justification  | Secondary Class        | Fund                        | Unit | Line Number | HHS Notes    | HHS Vote | FY 10 Total | FY 11 Total |
|--------|--------------|---|--------------|--|---|------------------------|-----------------------------|------|-------------|--------------|----------|-------------|-------------|
| 34     | 122          | Mental Retardation Services - Community | F-A-7205     | Establishes 6 Social Services Program Specialist II positions to administer shared living homes in an effort to centralize and reduce administrative costs. These positions are allocated 50% General Fund and 50% Other Special Revenue Funds in the Mental Retardation Services - Community program. | There are 452 individuals who reside in 'shared living' homes. The current model reimbursed through the comprehensive waiver is designed to contract with qualified agencies who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. The 6 Social Services Program Specialist II positions in this initiative will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead. | Developmental Services | General Fund                | 60   | 158         | See item 33. | N, 2/19  | \$0         | \$224,551   |
| 35     | 122          | Mental Retardation Services - Community | F-A-7205     | Establishes 6 Social Services Program Specialist II positions to administer shared living homes in an effort to centralize and reduce administrative costs. These positions are allocated 50% General Fund and 50% Other Special Revenue Funds in the Mental Retardation Services - Community program. | There are 452 individuals who reside in 'shared living' homes. The current model reimbursed through the comprehensive waiver is designed to contract with qualified agencies who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. The 6 Social Services Program Specialist II positions in this initiative will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead. | Developmental Services | Other Special Revenue Funds | 62   | 159         |              | N, 2/19  | \$0         | \$236,058   |

| Line # | Prog. Code | Program                                | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class        | Fund                        | Unit | Line Number | HHS Notes  | HHS Vote   | FY 10 Total | FY 11 Total   |
|--------|------------|--|--------------|--|--|------------------------|-----------------------------|------|-------------|--|--|-------------|---------------|
| 30     | 147        | Medical Care Payments to Providers     | F-A-7262     | Reduces funding by eliminating administrative and program-related costs in portions of high-cost budgets. The corresponding state funding decrease is in the Mental Retardation Waiver - MaineCare program.  | For those high-cost individuals who require more than 1:1 staffing on a 24/7 basis, this proposal will reduce the rate of reimbursement for additional staff above 168 hours per week to salary and benefits only. This would eliminate all administrative and program-related costs. Currently there are 184 individuals with budgets that exceed \$200,000. This figure represents 6% of individuals on the comprehensive waiver. The waiver program expends approximately \$43,660,000 annually on these high-cost individuals; this reduction represents about 15% of the total waiver budget. | Developmental Services | Federal Expenditures Fund   | 1    | 764         |  | See Item 38.   | \$0         | (\$1,632,101) |
| 37     | 705        | Medicaid Services - Mental Retardation | F-A-7262     | Reduces funding by eliminating administrative and program-related costs in portions of high-cost budgets. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program. | For those high-cost individuals who require more than 1:1 staffing on a 24/7 basis, this proposal will reduce the rate of reimbursement for additional staff above 168 hours per week to salary and benefits only. This would eliminate all administrative and program-related costs. Currently there are 184 individuals with budgets that exceed \$200,000. This figure represents 6% of individuals on the comprehensive waiver. The waiver program expends approximately \$43,660,000 annually on these high-cost individuals; this reduction represents about 15% of the total waiver budget. | Developmental Services | Other Special Revenue Funds | 52   | 174         |  | See Item 38.   | \$0         | (\$113,425)   |
| 38     | 987        | Mental Retardation Waiver - MaineCare  | F-A-7262     | Reduces funding by eliminating administrative and program-related costs in portions of high-cost budgets. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program. | For those high-cost individuals who require more than 1:1 staffing on a 24/7 basis, this proposal will reduce the rate of reimbursement for additional staff above 168 hours per week to salary and benefits only. This would eliminate all administrative and program-related costs. Currently there are 184 individuals with budgets that exceed \$200,000. This figure represents 6% of individuals on the comprehensive waiver. The waiver program expends approximately \$43,660,000 annually on these high-cost individuals; this reduction represents about 15% of the total waiver budget. | Developmental Services | General Fund                | 16   | 212         | Info needed on implementation and effect of cut. Bonnie Jean Brooks, OHI and Consumer Advisory Board, suggests DHHS is not in substantial compliance with consent decree, suggests that as a result of this budget reduction class members and non-class colleagues will lose day programs, hours and days of community support services, NF placement and waiver slots. | Y; 2/19, as amended to reduce savings in FY 11 to \$261,875. Blipette to reflect reduction in administrative costs by 1/3. | \$0         | (\$707,770)   |

| Line # | Program Code                               | Initiative # | Initiative Text   | Initiative Justification  | Secondary Class        | Fund                      | Unit | Line Number | HHS Notes   | HHS Vote | FY 10 Total | FY 11 Total   |
|--------|--|--------------|---|---|------------------------|---------------------------|------|-------------|---|----------|-------------|---------------|
| 39     | 147 Medical Care - Payments to Providers   | F-A-7265     | Reduces funding by eliminating separate reimbursement for day habilitation services for individuals residing in an intermediate care facilities for persons with mental retardation or autism. The corresponding state funding decrease is in the Medicaid Services - Mental Retardation program. | The department proposes to eliminate separate billing for day habilitation services to those residing in intermediate care facilities for persons with mental retardation or autism (ICF/MR). The ICF/MR facilities provide 24/7 care. Day services are covered in the facilities daily rate and should not be billed separately. This reduction will save \$743,573 in General Fund dollars. CP1 modifies initiative.  | Developmental Services | Federal Expenditures Fund | 1    | 768         | Info needed on implementation and effect of cut. DHHS - discussing this initiative. Consumers testified in opposition, citing need for social outlets. Info needed on details of CP 1 proposal  | N, 2/19. | \$0         | (\$1,658,925) |
| 40     | 705 Medicaid Services - Mental Retardation | F-A-7265     | Reduces funding by eliminating separate reimbursement for day habilitation services for individuals residing in an intermediate care facilities for persons with mental retardation or autism. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program. | The department proposes to eliminate separate billing for day habilitation services to those residing in intermediate care facilities for persons with mental retardation or autism (ICF/MR). The ICF/MR facilities provide 24/7 care. Day services are covered in the facilities daily rate and should not be billed separately. This reduction will save \$743,573 in General Fund dollars. CP1 modifies initiative.  | Developmental Services | General Fund              | 12   | 175         | Info needed on implementation and effect of cut. DHHS - discussing this initiative. Consumers testified in opposition, citing need for social outlets. Info needed on details of CP 1 proposal  | N, 2/19. | \$0         | (\$743,573)   |
| 41     | 705 Medicaid Services - Mental Retardation | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21. Residential services which are reduced by 4% and hospital, physician, pharmacy and dental services.   | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text. | Developmental Services | General Fund              | 12   | 177         | Info needed on implementation and effect of cut. Also need explanation of 4% cuts for MR versus 10% for non-exempt others. Consumers testified against. Cullen Ryan, for Statewide Homeless Council and Maine Coalition for Housing and Quality Services, testified against 10% cut in MaineCare, proposed tax increase. Charlene Kinneley, MACSP, questions what adjustments DHHS will make to keep PNM's afloat as they have no private or Medicare beds, all income is from MaineCare, which will be cut 10%. Note: If this cut, as described in the justification statement intention for MR accounts, is only 4%, then the initiative description needs to be amended. | N, 2/19. | \$0         | (\$399,793)   |



| Line # | Program Code                                 | Initiative # | Initiative Text   | Initiative Justification  | Secondary Class        | Fund                        | Unit Line Number | HHS Notes  | HHS Vote | FY 10 Total | FY 11 Total   |
|--------|--|--------------|---|---|------------------------|-----------------------------|------------------|--|----------|-------------|---------------|
| 42     | 705 Medicaid Services - Mental Retardation   | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services.  | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates do take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies Initiative text. | Developmental Services | Other Special Revenue Funds | 52 178           |  | N, 2/19. | \$0         | (\$1,092,931) |
| 43     | 987 Mental Retardation Waiver - MaineCare    | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services.  | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates do take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies Initiative text. | Developmental Services | General Fund                | 16 214           | See Medicaid Services - MR above. Brenda Mitchell, Community Concepts, and Tyler Ingalls, consumer, testified to hardship caused by freeze on enrollment in waiver. Freeze causes increase in costs for persons receiving services. Linda LaRue Kenniston, Work First, suggested modifying administrative mandates, taking advantage of Voc Rehab opportunities and funding options. Wait list in Jan 2010 for comprehensive waiver was 118 persons priority 1 and 114 persons priority 2 and 3. Wait list for supports waiver was 58. Enrollment closed in both waivers. Note: if this cut, as described in the justification statement intention for MR accounts, is only 4%, then the initiative description needs to be amended. | N, 2/19. | \$0         | (\$4,744,375) |
| 44     | 453 Bureau of Family Independence - Regional | F-A-BBB      | Part BBB requires the State Controller to transfer a total of \$5,813,927 in fiscal year 2009-10 from the unappropriated surplus of the General Fund to Other Special Revenue Funds accounts within the Department of Health and Human Services to settle indirect cost allocation settlements. |   | DHHS Other             | General Fund                | 1                |  | Y        | \$1,569,406 | \$0           |

| Line # | Prog. Code | Program  | Initiative # | Initiative Text   | Initiative Justification | Secondary Class | Fund                        | Unit | Line Number | HHS Notes    | HHS Vote | FY 10 Total   | FY 11 Total |
|--------|------------|--|--------------|---|--------------------------|-----------------|-----------------------------|------|-------------|--------------|----------|---------------|-------------|
| 45     | 453        | Bureau of Family Independent Regional                    | F-A-BBB-1    | Part BBB requires the State Controller to transfer a total of \$5,813,927 in fiscal year 2009-10 from the unappropriated surplus of the General Fund to Other Special Revenue Funds accounts within the Department of Health and Human Services to settle indirect cost allocation settlements. |                          | DHHS Other      | Other Special Revenue Funds | 1    |             |              | Y        | (\$1,569,406) | \$0         |
| 46     | Z020       | Office of Integrated Access and Support - Central Office | F-A-BBB-1    | Part BBB requires the State Controller to transfer a total of \$5,813,927 in fiscal year 2009-10 from the unappropriated surplus of the General Fund to Other Special Revenue Funds accounts within the Department of Health and Human Services to settle indirect cost allocation settlements. |                          | DHHS Other      | General Fund                | 1    |             | See item 44. | Y        | \$3,804,827   | \$0         |
| 47     | Z020       | Office of Integrated Access and Support - Central Office | F-A-BBB-1    | Part BBB requires the State Controller to transfer a total of \$5,813,927 in fiscal year 2009-10 from the unappropriated surplus of the General Fund to Other Special Revenue Funds accounts within the Department of Health and Human Services to settle indirect cost allocation settlements. |                          | DHHS Other      | Other Special Revenue Funds | 1    |             |              | Y        | (\$3,804,827) | \$0         |
| 48     | Z038       | Division of Administrative Hearings                      | F-A-BBB-1    | Part BBB requires the State Controller to transfer a total of \$5,813,927 in fiscal year 2009-10 from the unappropriated surplus of the General Fund to Other Special Revenue Funds accounts within the Department of Health and Human Services to settle indirect cost allocation settlements. |                          | DHHS Other      | General Fund                | 1    |             | See item 44. | Y        | \$439,694     | \$0         |



| Line # | Program Code | Initiative # | Initiative Text   | Initiative Justification   | Secondary Class | Fund                        | Unit | Line Number | HHS Notes   | HHS Vote            | FY 10 Total | FY 11 Total |          |
|--------|--------------|--------------|---|--|-----------------|-----------------------------|------|-------------|---|---------------------|-------------|-------------|----------|
| 49     | Z038         | F-A-BBB      | Part BBB requires the State Controller to transfer a total of \$5,813,927 in fiscal year 2009-10 from the unappropriated surplus of the General Fund to Other Special Revenue Funds accounts within the Department of Health and Human Services to settle indirect cost allocation settlements. |  | DHHS Other      | Other Special Revenue Funds | 1    | 1           |   | Y                   | (\$439,694) | \$0         |          |
| 50     | 140          | F-A-1316     | Establishes one limited period Social Services Program Specialist II position in the Office of Elder Services Central Office program to act as the state project director for the family caregiver program. This position will end June 18, 2011.   | The Office of Elder Services applies for and receives numerous federal grants, primarily funded by the Administration on Aging. These grants require that there be a state project director within the Office of Elder Services to assure the implementation of grant activities and report on progress to the grantor. It is not appropriate to contract out the project director position. This initiative establishes a Social Services Program Specialist II position to meet these requirements of receiving federal funds. | Elder Services  | Federal Expenses Fund       | 1    | 595         |   | Y                   |             | \$0         | \$67,806 |
| 51     | Z043         | F-A-7203     | Reduces funding from the Consumer-directed Services program.  | The department proposes to reduce the state-funded Consumer Directed Services program by reducing the number of hours per consumer and providing support consistent with MaineCare regulations.  | Elder Services  | General Fund                | 1    | 221         | Testimony opposed, from Alpha One and consumers, citing risk to care of lowering hours or wages of workers. Info requested on home and community care programs, use, payment levels. Testimony suggested consolidating programs and agencies. Leo Delicata, LSE - opposes. Many consumers testified against cuts for their workers. Information needed on current and proposed hours and proposed service reductions. | N, 10-0, 1 abstain. | (\$125,000) | (\$500,000) |          |
| 52     | 420          | F-A-7209     | Reduces funding by managing utilization of the homemakers program.  | The Independent Support Services Program serves approximately 2,000 people. The department will manage the utilization of this program which assists with meal preparation, grocery shopping and housekeeping.   | Elder Services  | General Fund                | 1    | 859         | Catholic Charities says cut will force 500 consumers off. Have 2000 consumers, paying 20% co-pay, eligible for 6-8 hrs/mo. Cost \$18.75/hr. \$112.50-150/mo. WL is 250 consumers. Prior cuts \$187,500 in FY09 from curtailment and \$1million in 2008. Leo Delicata, LSE - opposes cuts. Consumers testified against cuts and for workers.   | N                   | (\$187,500) | (\$750,000) |          |
| 53     | 140          | F-A-7210     | Reduces funding for non-MaineCare adult day services and other supportive and administrative services.  | This initiative reduces funding for adult day services by reducing hours of support; reduces a contract for case aides by \$103,000 and reduces contracts for occupational therapy consultation.   | Elder Services  | General Fund                | 1    | 598         | Graham Newson, Me AAAA - 30 people will lose adult day services. Leo Delicata, LSE - if 10 people who were getting services move to NF, savings will be offset by expenses. See item 53.  | N                   | (\$250,000) | (\$775,000) |          |
| 54     | 420          | F-A-7210     | Reduces funding for non-MaineCare adult day services and other supportive and administrative services.  | This initiative reduces funding for adult day services by reducing hours of support; reduces a contract for case aides by \$103,000 and reduces contracts for occupational therapy consultation.   | Elder Services  | General Fund                | 1    | 860         | See item 53.  | N                   | \$0         | (\$225,000) |          |

| Line # | Program Code                                | Initiative # | Initiative Text   | Initiative Justification  | Secondary Class | Fund                      | Unit | Line Number | HHS Notes  | HHS Vote   | FY 10 Total | FY 11 Total   |
|--------|---|--------------|---|---|-----------------|---------------------------|------|-------------|--|--|-------------|---------------|
| 55     | 202 Low-cost Drugs To Maine's Elderly       | F-A-7217     | Reduces funding for the pharmacy incentive payment.   | MaineCare pays a supplemental dispensing fee for prescriptions provided to members residing in rural areas in an attempt to assure continuing access to prescription services. The Pharmacy Incentive Payment dispensing fee ranges from \$0.55 to \$0.65 per prescription and changes on a quarterly basis to reflect the number of prescriptions filled in the prior quarter. This initiative will reduce the pharmacy incentive payment from an annual amount of \$2 million to \$1.57 million.                          | Elder Services  | General Fund              | 1    | 829         | See testimony from pharmacies re dispensing fees in MAP account below, item 139. Information needed on proposal for incentive payments paid in addition to normal pharmacy \$3.35 per script dispensing fee.   | N  | \$0         | (\$50,490)    |
| 56     | 202 Low-cost Drugs To Maine's Elderly       | F-A-7218     | Reduces funding by a reduction of the benefit provided under the Low-cost Drugs To Maine's Elderly program.                                     | The Low Cost Drugs for the Elderly and Disabled (DEL) benefit is a prescription drug assistance program. This initiative will eliminate only copays for Medicare Savings Plan members. These members are between 100% and 185% of the federal poverty level. Copays are \$2.50 for generics and \$6.30 for brand name drugs. The proposal retains coverage for the gap (donut hole) and deductible coverage as well for the excluded drugs. It also retains coverage for the beneficiaries with incomes less than 100% FPL. | Elder Services  | General Fund              | 1    | 830         | Testimony opposed from consumers using DEL program. Cut would mean DEL would no longer pay Medicare co-pay - 37,000 MSP consumers would pay. Brenda Duggan, Maine Coast Memorial Hospital provided info on MSP clients using DEL to pay Medicare copays. John Carr, MCSC, and Steve Griffin, AARP, Chris Hastedt, MEJP, Leo Delicata, LSE - oppose shifting copays to consumers and apparent cut to benefit. Will there be a monthly cap on co-pays? What is cut in benefits? GF appropriation for FY10 is \$4,974,023, for FY11 is \$4,972,785. | Y, 2/19, 8-1, as amended on handout, several initiatives, with copay cap of \$200/yr and hardship fund of \$200,000. | \$0         | (\$1,800,000) |
| 57     | 140 Office of Elder Services Central Office | F-A-7258     | Provides funding for a new federal Alzheimer's innovation initiative grant administered by the Office of Elder Services Central Office program. | The goal of this federal grant is to improve the capability of consumer directed options within Maine's publicly funded programs to serve the needs of people with dementia and their caregivers. Much of the work will focus on the family provider service option (FPSO) to improve the awareness of, access to and efficiency of the current option. This will also result in a more efficient and consumer friendly transition between the State's funded respite program administered by the Area Agencies on Aging.   | Elder Services  | Federal Expenditures Fund | 1    | 601         |  | Y  | \$0         | \$235,310     |

| Line # | Program Code           | Initiative # | Initiative Text  | Initiative Justification   | Secondary Fund Class | Unit | Line Number | HHS Notes  | HHS Vote   | FY 10 Total | FY 11 Total    |
|--------|------------------------|--------------|--|--|----------------------|------|-------------|--|--|-------------|----------------|
| 58     | 148 Nursing Facilities | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. <b>CP 1 modifies initiative text.</b> | Elder Services       | 1    | 807         | Nathan Brown, nursing facility administrator from Lubec, testified against 10% cut, asked Legislators to consider social policy and social needs. Cedars testified cut to them would be \$315,000. Cedars anticipates Medicare cut of \$469,000. Kim Baker, Kindred HealthCare, testified to loss of \$2.4million, requiring 64 layoffs (10% of full-time staff). Craig Nelson, Aging Services of Me and NH, and Leo Delicata, LSE, stated that Medicaid law forbids across the board cuts based on state budget shortfalls w/o program specific analyses and findings that cuts will not adversely affect access and quality of services. 42 US Code sec. 1396a(a)(30)(A) and 42 CFR 440.230(b) and (c). Rick Erb, MHCA, stated NF already are underpaid by MaineCare \$16.20/day/resident. This cuts will add \$16.80/day/resident. No place left to offset cut w/o staffing cuts and layoffs. NF average 70% MaineCare, 15% each Medicare or private pay. MHCA anticipates Medicare cut to NF in federal health care reform. Kerry Siros, MI St Joseph, NF will lose \$400,000 in 2010-11 due to cuts. Don Gross testified that | Y, 2/19, voted that up to \$500,000 may be available from changing assessment processes. One member has additional ideas and one member wants savings reinvested in long-term care | \$0         | (\$6,647,068)  |
| 59     | 148 Nursing Facilities | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. <b>CP 1 modifies initiative text.</b> | Elder Services       | 1    | 808         |  | N, 2/19.   | \$0         | (\$16,491,888) |

| Line # | Program Code                                       | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class | Fund                           | Unit | Line Number | HHS Notes | HHS Vote | FY 10 Total | FY 11 Total   |
|--------|--|--------------|--|--|-----------------|--------------------------------|------|-------------|-----------|----------|-------------|---------------|
| 60     | 148 Nursing Facilities                             | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. <b>CP 1 modifies initiative text.</b> | Elder Services  | Other Special Revenue Funds    | 2    | 809         |           | N, 2/19  | \$0         | (\$1,315,864) |
| 61     | 148 Nursing Facilities                             | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. <b>CP 1 modifies initiative text.</b> | Elder Services  | Federal Expenditures Fund ARRA | 1    | 810         |           | N, 2/19  | \$0         | (\$1,273,555) |
| 62     | 957 FHM - Service Center                           | F-A-1595     | Transfers 4 Community Care Worker positions and one Social Services Program Specialist II position from the FHM - Service Center program to the Division of Licensing and Regulatory Services program.                               | The DHHS Division of Licensing and Regulatory Services submitted an amendment to the DHHS public assistance cost allocation plan relating to their accounts in FY 2009. This initiative places these DLRS positions in the DLRS Other Special Revenue Funds account which expenditures will be allocated accordingly.  | FHM             | Fund for a Healthy Maine       | 1    | 902         |           | Y        | \$0         | (\$412,346)   |
| 63     | 2036 Division of Licensing and Regulatory Services | F-A-1595     | Transfers 4 Community Care Worker positions and one Social Services Program Specialist II position from the FHM - Service Center program to the Division of Licensing and Regulatory Services program.                               | The DHHS Division of Licensing and Regulatory Services submitted an amendment to the DHHS public assistance cost allocation plan relating to their accounts in FY 2009. This initiative places these DLRS positions in the DLRS Other Special Revenue Funds account which expenditures will be allocated accordingly.  | FHM             | Other Special Revenue Funds    | 4    |             |           | Y        | \$0         | \$422,189     |



| Line # | Program Code                 | Initiative # | Initiative Text  | Initiative Justification  | Secondary Class | Fund                     | Unit | Line Number | HHS Notes   | HHS Vote  | FY 10 Total   | FY 11 Total |
|--------|------------------------------|--------------|--|---|-----------------|--------------------------|------|-------------|---|---|---------------|-------------|
| 64     | 921 Fund for a Healthy Maine | F-A-2231     | Provides funding to offset a deallocation made in Public Law 2009, chapter 213, Part UUUU, section 2. A pro-rata adjustment to the individual Fund for a Healthy Maine accounts is not required since the balance in the fund on June 30, 2009 was sufficient to cover the deallocation. | Public Law 2009 c. 213, Part UUUU, section 2 deallocated (\$536,000) from the Fund for a Healthy Maine account in the Department of Administrative and Financial Services to cover a projected revenue shortfall in the Fund. The State Budget Officer was charged with prorating the deallocation to the individual subsidiary FHM accounts by Financial Order in fiscal year 2009-10. This pro-rata adjustment is not required because there was sufficient cash on hand at June 30, 2009 to cover the deallocation. This initiative provides an allocation of \$536,000 to offset the deallocation in fiscal year 2009-10. | FHM             | Fund for a Healthy Maine | 1    | 54          | Corrects deallocation from FHM made in PL 2009, chapter 213 but never actually deallocated as funds were sufficient at end of fiscal year. Maine Coalition on Smoking or Health testified in favor of increasing tobacco tax by \$1 per pack from \$2 per pack to \$3 per pack. | Y   | \$536,000     | \$0         |
| 65     | 964 FHM - Fire Marshal       | F-A-7221     | Provides funding for inspections of facilities licensed by the Department of Health and Human Services.  | These funds will be used to pay for an accrued balance and for the anticipated increase in fiscal year 2009-10 and fiscal year 2010-11 only for mandatory inspections of Department of Health and Human Services licensed facilities that provide services to children.   | FHM             | Fund for a Healthy Maine | 1    | 1209        | Pays for Fire Marshal inspections of DHHS licensed facilities for children, unpaid balance and for increased numbers of inspections. Friends testified neither for nor against.   | Y, 2/19 vote, 7-4   | \$1,140,780   | \$0         |
| 66     | 921 Fund for a Healthy Maine |              | Transfers Fund for a Healthy Maine balance to General Fund unappropriated surplus in fiscal years 2009-10 and 2010-11.   |   | FHM             | General Fund             | 1    |             | See language Part M, Friends testified neither for nor against.   | 3-way split vote, see Attachment B. As result of streamlining bill, PL 462, account lacks sufficient funds for this allocation. | (\$3,925,515) | (\$222,282) |
| 67     | 921 Fund for a Healthy Maine |              | Transfers Fund for a Healthy Maine balance to General Fund unappropriated surplus in fiscal years 2009-10 and 2010-11.   |   | FHM             | Fund for a Healthy Maine | 1    |             | See language Part M, Friends testified neither for nor against.   | 3-way split vote, see Attachment B. As result of streamlining bill, PL 462, account lacks sufficient funds for this allocation. | \$3,925,515   | \$222,282   |
| 68     | 523 Disability Rights Center | F-A-7004     | Reduces funding to maintain appropriations within available resources.   | This initiative represents a one-time reduction of 5% to the program to maintain costs within available resources.  | HHS Other       | General Fund             | 1    | 333         | GF appropriation is \$130,766/yr. Information requested on total budget.  | N, 9-5  | \$0           | (\$6,538)   |
| 69     | 103 Ombudsman Program        | F-A-7020     | Reduces funding for contractual services from the Maine Children's Alliance to maintain costs within available resources.  | This program provides ombudsman services to the children and families of the State regarding child welfare services provided by the Department of Health and Human Services.  | HHS Other       | General Fund             | 1    | 462         | GF appropriation is \$122,524/yr. Cut is 3.9%. Ombudsman also receives \$57,150 in federal Medicaid matching funds. Appropriation is to Office of the Executive account, services are contracted to Maine Children's Alliance   | Y   | \$0           | (\$4,827)   |
| 70     | 663 Maine Hospice Council    | F-A-7452     | Reduces funding to maintain appropriations within available resources.   | This initiative represents a one-time reduction of 5% to the program to maintain costs within available resources.  | HHS Other       | General Fund             | 1    | 483         | GF appropriation is \$65,884/yr. Information requested on total budget.   | Y   | \$0           | (\$3,294)   |

| Line # | Program Code                                 | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class | Fund                      | Unit | Line Number | HHS Notes | HHS Vote | FY 10 Total | FY 11 Total   |
|--------|--|--------------|--|--|-----------------|---------------------------|------|-------------|-----------|----------|-------------|---------------|
| 71     | Bureau of Medical Services                   | F-A-1918     | Adjusts funding for the decrease in the federal financial participation rate from 75% to 50% on the Maine Integrated Health Management Solution (MIHMS) system until fiscal year 2011-12 when the certification process will be completed. | This initiative recognizes that the certification process for the Maine Integrated Health Management Solution (MIHMS) system will not be completed until 2012. Until the certification process is complete, the federal government will not participate at 75%. After the certification process has been completed by the Centers for Medicare and Medicaid Services, the department will be retroactively reimbursed for the difference in federal participation rates. It is anticipated that the retroactive reimbursement will occur in fiscal year 2011-12. | MaineCare Admin | General Fund              | 1    | 530         |           | Y        | \$0         | \$3,884,463   |
| 72     | Bureau of Medical Services                   | F-A-1918     | Adjusts funding for the decrease in the federal financial participation rate from 75% to 50% on the Maine Integrated Health Management Solution (MIHMS) system until fiscal year 2011-12 when the certification process will be completed. | This initiative recognizes that the certification process for the Maine Integrated Health Management Solution (MIHMS) system will not be completed until 2012. Until the certification process is complete, the federal government will not participate at 75%. After the certification process has been completed by the Centers for Medicare and Medicaid Services, the department will be retroactively reimbursed for the difference in federal participation rates. It is anticipated that the retroactive reimbursement will occur in fiscal year 2011-12. | MaineCare Admin | Federal Expenditures Fund | 1    | 531         |           | Y        | \$0         | (\$3,884,463) |
| 73     | Bureau of Medical Services                   | F-A-1929     | Adjusts funding for the continued operation of the Maine Integrated Health Management Solution (MIHMS) system through a transfer from the Information Technology program to the Bureau of Medical Services program.                        | This adjustment is necessary to properly account for funding the Unisys contract. The nature of the contract will shift to a business model once the new system goes live necessitating the transfer from the Information Technology account to the OMS administrative account.  | MaineCare Admin | General Fund              | 1    | 547         |           | Y        | \$0         | \$3,545,210   |
| 74     | Information Technology                       | F-A-1929     | Adjusts funding for the continued operation of the Maine Integrated Health Management Solution (MIHMS) system through a transfer from the Information Technology program to the Bureau of Medical Services program.                        | This adjustment is necessary to properly account for funding the Unisys contract. The nature of the contract will shift to a business model once the new system goes live necessitating the transfer from the Information Technology account to the OMS administrative account.  | MaineCare Admin | General Fund              | 1    | 910         |           | Y        | \$0         | (\$3,545,210) |
| 75     | State-Funded Foster Care/Adoption Assistance | F-A-1267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.  | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.   | MaineCare Cycle | General Fund              | 1    | 585         |           | Y        | \$0         | (\$55,875)    |



| Line # | Program Code | Program                                   | Initiative # | Initiative Text   | Initiative Justification   | Secondary Class | Fund                      | Unit Number | HHS Notes | HHS Vote | FY 10 Total | FY 11 Total    |
|--------|--------------|---|--------------|---|--|-----------------|---------------------------|-------------|-----------|----------|-------------|----------------|
| 76     | 143          | Health Bureau of                          | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | Federal Expenditures Fund | 3 674       |           | Y        | \$0         | (\$19,076)     |
| 77     | 147          | Medical Care - Payments to Providers      | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | General Fund              | 1 772       |           | Y        | \$0         | (\$9,669,773)  |
| 78     | 147          | Medical Care - Payments to Providers      | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | Federal Expenditures Fund | 1 773       |           | Y        | \$0         | (\$27,210,710) |
| 79     | 147          | Medical Care - Payments to Providers      | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | Federal Block Grant Fund  | 1 774       |           | Y        | \$0         | (\$488,331)    |
| 80     | 148          | Nursing Facilities                        | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | General Fund              | 1 804       |           | Y        | \$0         | (\$2,145,316)  |
| 81     | 148          | Nursing Facilities                        | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | Federal Expenditures Fund | 1 805       |           | Y        | \$0         | (\$3,780,971)  |
| 82     | 202          | Low-cost Drugs To Maine's Elderly         | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | General Fund              | 1 831       |           | Y        | \$0         | (\$112,842)    |
| 83     | 705          | Medicaid Services - Mental Retardation    | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | General Fund              | 12 176      |           | Y        | \$0         | (\$673,572)    |
| 84     | 731          | Mental Health Services - Child            | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | General Fund              | 17 184      |           | Y        | \$0         | (\$1,162,899)  |
| 85     | 732          | Mental Health Services - Community        | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | General Fund              | 14 189      |           | Y        | \$0         | (\$991,864)    |
| 86     | 844          | Office of Substance Abuse - Medicaid Seed | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12. | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12. | MaineCare Cycle | General Fund              | 1 202       |           | Y        | \$0         | (\$71,258)     |

| Line # | Prog. Code | Program                                     | Initiative # | Initiative Text   | Initiative Justification   | Secondary Class | Fund                     | Unit Number | HHS Notes    | HHS Vote | FY 10 Total   | FY 11 Total   |
|--------|------------|---|--------------|---|--|-----------------|--------------------------|-------------|--------------|----------|---------------|---------------|
| 87     | 948        | FHM - Substance Abuse                       | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.   | MaineCare Cycle | Fund for a Healthy Maine | 1 207       |              | Y        | \$0           | (\$31,954)    |
| 88     | 987        | Mental Retardation Waiver - MaineCare       | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.   | MaineCare Cycle | General Fund             | 16 213      |              | Y        | \$0           | (\$2,514,488) |
| 89     | Z008       | Maternal and Child Health Block Grant Match | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.   | MaineCare Cycle | General Fund             | 1 918       |              | Y        | \$0           | (\$5,488)     |
| 90     | Z009       | MR/Elderly PNM Room and Board               | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.   | MaineCare Cycle | General Fund             | 1 920       |              | Y        | \$0           | (\$534,805)   |
| 91     | Z015       | FHM - Drugs for the Elderly and Disabled    | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.   | MaineCare Cycle | Fund for a Healthy Maine | 1 922       |              | Y        | \$0           | (\$327)       |
| 92     | 147        | Medical Care - Payments to Providers        | F-A-7219     | Reduces funding due to a retroactive increase in the federal medical assistance percentage rate for the 4th quarter of state fiscal year 2008-09. | This initiative recognizes the retroactive FMAP changed authorized by CMS. Based on Maine's unemployment rate, the State moved to Tier 3 of the enhanced rate calculation under the American Recovery and Reinvestment Act. The department had budgeted and paid claims for SFY09 Q4 at Tier 2 and recorded the adjustment on the federal reports and in the state accounting system after being notified by CMS of the rate change. | MaineCare FMAP  | General Fund             | 1 744       |              | Y        | (\$6,782,239) | \$0           |
| 93     | 148        | Nursing Facilities                          | F-A-7219     | Reduces funding due to a retroactive increase in the federal medical assistance percentage rate for the 4th quarter of state fiscal year 2008-09. | This initiative recognizes the retroactive FMAP changed authorized by CMS. Based on Maine's unemployment rate, the State moved to Tier 3 of the enhanced rate calculation under the American Recovery and Reinvestment Act. The department had budgeted and paid claims for SFY09 Q4 at Tier 2 and recorded the adjustment on the federal reports and in the state accounting system after being notified by CMS of the rate change. | MaineCare FMAP  | General Fund             | 1 803       | See item 92. | Y        | (\$682,231)   | \$0           |

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|--------|------------|--------------------------------------|--------------|---|---|---------------------|---------------------------|-------------|---|-------------|---------------|---------------|
| 94     | 147        | Medical Care - Payments to Providers | F-A-7275     | Provides funding for the Medical Care - Payments to Providers and Nursing Facilities programs.  | In the curtailment order, \$7.5 million was reduced from MaineCare accounts to record the retroactive federal medical assistance percentage change. The state share decreased from 26.63% to 25.65% as the State was moving from Tier 2 enhanced to Tier 3 enhanced under the American Recovery and Reinvestment Act. This resulted in General Fund savings of \$7.5 million. Following discussions with the Department of Administrative and Financial Services, the department began to count on this \$7.5 million towards the balance of the MaineCare budget for FY 2010. Without the use of these funds the department will experience a shortfall in the MaineCare budget. | MaineCare FMAP      | General Fund              | 1           | 792 See item 92.  | Y           | \$6,782,239   | \$0           |
| 95     | 148        | Nursing Facilities                   | F-A-7275     | Provides funding for the Medical Care - Payments to Providers and Nursing Facilities programs.  | In the curtailment order, \$7.5 million was reduced from MaineCare accounts to record the retroactive federal medical assistance percentage change. The state share decreased from 26.63% to 25.65% as the State was moving from Tier 2 enhanced to Tier 3 enhanced under the American Recovery and Reinvestment Act. This resulted in General Fund savings of \$7.5 million. Following discussions with the Department of Administrative and Financial Services, the department began to count on this \$7.5 million towards the balance of the MaineCare budget for FY 2010. Without the use of these funds the department will experience a shortfall in the MaineCare budget. | MaineCare FMAP      | General Fund              | 1           | 814 See item 92.  | Y           | \$682,231     | \$0           |
| 96     | 147        | Medical Care - Payments to Providers | F-A-7213     | Reduces funding by changing the reimbursement to critical access hospitals for inpatient and outpatient services from 109% of the MaineCare allowable cost to 101% of the allowable cost. | There are 15 critical access hospitals in the State. Currently, MaineCare reimburses these hospitals at a rate above their costs based on statute. This initiative would reduce MaineCare's reimbursement from 109% to 101% of cost.  | MaineCare Hospitals | General Fund              | 1           | 729 See also notes on item 99 re: Mayo Hospital in Dover-Foxcroft. Depends on enactment of Part VV, Effective 4/1/10. | Y           | (\$403,678)   | (\$1,614,712) |
| 97     | 147        | Medical Care - Payments to Providers | F-A-7213     | Reduces funding by changing the reimbursement to critical access hospitals for inpatient and outpatient services from 109% of the MaineCare allowable cost to 101% of the allowable cost. | There are 15 critical access hospitals in the State. Currently, MaineCare reimburses these hospitals at a rate above their costs based on statute. This initiative would reduce MaineCare's reimbursement from 109% to 101% of cost.  | MaineCare Hospitals | Federal Expenditures Fund | 1           | 730   | See Item 96 | (\$1,043,143) | (\$3,468,452) |

| Line # | Program Code                           | Initiative # | Initiative Text   | Initiative Justification   | Secondary Fund Class                       | Unit Number | HHS Notes   | HHS Vote    | FY 10 Total | FY 11 Total   |
|--------|--|--------------|---|--|--|-------------|---|-------------|-------------|---------------|
| 98     | 147 Medical Care Payments to Providers | F-A-7213     | Reduces funding by changing the reimbursement to critical access hospitals for inpatient and outpatient services from 109% of the MaineCare allowable cost to 101% of the MaineCare allowable cost. | There are 15 critical access hospitals in the State. Currently, MaineCare reimburses these hospitals at a rate above their costs based on statute. This initiative would reduce MaineCare's reimbursement from 109% to 101% of cost.   | MaineCare Hospitals Expenditures Fund ARRA | 1 731       |   | See Item 96 | (\$156,261) | (\$264,695)   |
| 99     | 147 Medical Care Payments to Providers | F-A-7214     | Reduces funding by reimbursing outpatient hospital services based on ambulatory patient classifications at 86% of Medicare rates.   | The Office of MaineCare Services and the Maine Hospital Association have worked over the last eight months to develop a budget neutral plan to eliminate cost reimbursement in favor of prospective inpatient diagnostic related groups (DRGs) and outpatient ambulatory patient classifications (APCs). Acute care hospitals are currently paid for outpatient services based on their cost. Medicare APCs are flat, prospectively determined payments based on groups of procedures and tests. By moving to APC rates based on 86% of Medicare, hospital payments would be reduced by \$3,400,000 for fiscal year 2010-11 (state and federal). | MaineCare Hospitals Expenditures Fund      | 1 745       | Dr. McDermott, Mayo Hospital in Dover-Foxcroft-paying 86% of Medicare will bring reimbursement rate below cost. Info requested on # inpatient and outpatient visits, lab use, mental health visits. Mary Mayhew, MHA, suggests impact may amount to \$20million, not \$3million. Information needed - is this cut only APC outpatient ambulatory care services? Information needed on relationship to Item 105. | Y           | \$0         | (\$1,000,000) |
| 100    | 147 Medical Care Payments to Providers | F-A-7214     | Reduces funding by reimbursing outpatient hospital services based on ambulatory patient classifications at 86% of Medicare rates.   | The Office of MaineCare Services and the Maine Hospital Association have worked over the last eight months to develop a budget neutral plan to eliminate cost reimbursement in favor of prospective inpatient diagnostic related groups (DRGs) and outpatient ambulatory patient classifications (APCs). Acute care hospitals are currently paid for outpatient services based on their cost. Medicare APCs are flat, prospectively determined payments based on groups of procedures and tests. By moving to APC rates based on 86% of Medicare, hospital payments would be reduced by \$3,400,000 for fiscal year 2010-11 (state and federal). | MaineCare Hospitals Expenditures Fund      | 1 746       |   | Y           | \$0         | (\$2,160,418) |
| 101    | 147 Medical Care Payments to Providers | F-A-7214     | Reduces funding by reimbursing outpatient hospital services based on ambulatory patient classifications at 86% of Medicare rates.   | The Office of MaineCare Services and the Maine Hospital Association have worked over the last eight months to develop a budget neutral plan to eliminate cost reimbursement in favor of prospective inpatient diagnostic related groups (DRGs) and outpatient ambulatory patient classifications (APCs). Acute care hospitals are currently paid for outpatient services based on their cost. Medicare APCs are flat, prospectively determined payments based on groups of procedures and tests. By moving to APC rates based on 86% of Medicare, hospital payments would be reduced by \$3,400,000 for fiscal year 2010-11 (state and federal). | MaineCare Hospitals Expenditures Fund ARRA | 1 747       |   | Y           | \$0         | (\$164,050)   |



| Line # | Program                                  | Initiative # | Initiative Text   | Initiative Justification   | Secondary Class     | Fund                        | Unit | Line Number | HHS Notes                          | HHS Vote                      | FY 10 Total | FY 11 Total    |
|--------|--|--------------|---|--|---------------------|-----------------------------|------|-------------|------------------------------------|-------------------------------|-------------|----------------|
| 102    | 147 Medical Care - Payments to Providers | F-A-7215     | Adjusts funding to reflect an update of the hospital tax base year from 2006 to 2008 and the exclusion of municipally funded hospitals from the tax beginning July 1, 2010. | The department proposes to change the base year on which hospitals pay tax, moving the base year from 2006 to 2008. CP1 modifies amount from \$10,770,945 to \$13,482,557 to reflect gross revenue impact.   | MaineCare Hospitals | Other Special Revenue Funds | 4    | 752         |                                    | Y, 8-6. See also language AAA | \$0         | \$13,482,557   |
| 103    | 147 Medical Care - Payments to Providers | F-A-7215     | Adjusts funding to reflect an update of the hospital tax base year from 2006 to 2008 and the exclusion of municipally funded hospitals from the tax beginning July 1, 2010. | The department proposes to change the base year on which hospitals pay tax, moving the base year from 2006 to 2008. CP1 modifies amount from -\$10,770,945 to -\$13,482,557 to reflect gross revenue impact.   | MaineCare Hospitals | General Fund                | 1    | 751         |                                    | Y, 8-6. See Language AAA      | \$0         | (\$13,482,557) |
| 104    | 147 Medical Care - Payments to Providers | F-A-7215     | Gross revenue impact from an update of the hospital tax base year from 2006 to 2008 and the exclusion of municipally funded hospitals from the tax beginning July 1, 2010.  | The department proposes to change the base year on which hospitals pay tax, moving the base year from 2006 to 2008. CP1 modifies amount to reflect gross revenue impact.   | MaineCare Hospitals | Other Special Revenue Funds | 4    |             |                                    | Y, 8-6. See Language AAA      | \$0         | (\$13,482,557) |
| 104 A  | 147 Medical Care - Payments to Providers | F-A-7215 CP1 | Provides funding to increase hospital reimbursement.  | Provides funding to increase hospital reimbursement. CP 1 added.   | MaineCare Hospitals | General Fund                | 1    | 751         | Federal allocation needed as well? | Y, 8-6. See Language AAA      | \$0         | \$2,711,612    |
| 105    | 147 Medical Care - Payments to Providers | F-A-7216     | Reduces funding by lowering hospital reimbursement by using a diagnosis-related groups methodology.   | The Office of MaineCare Services and the Maine Hospital Association have agreed upon a diagnosis related group (DRG) methodology. Currently each Maine hospital is paid a flat hospital-specific rate per discharge that is based on historical costs. The DRG plan will phase hospitals into a statewide rate. Each DRG is specific to the reason for the admission and weighted using Maine-specific data. The agreed upon DRG methodology is budget neutral to the rates set on July 1, 2009. This initiative reflects a reduction of approximately 4%. | MaineCare Hospitals | General Fund                | 1    | 734         |                                    | Y                             | \$0         | (\$1,237,200)  |
| 106    | 147 Medical Care - Payments to Providers | F-A-7216     | Reduces funding by lowering hospital reimbursement by using a diagnosis-related groups methodology.   | The Office of MaineCare Services and the Maine Hospital Association have agreed upon a diagnosis related group (DRG) methodology. Currently each Maine hospital is paid a flat hospital-specific rate per discharge that is based on historical costs. The DRG plan will phase hospitals into a statewide rate. Each DRG is specific to the reason for the admission and weighted using Maine-specific data. The agreed upon DRG methodology is budget neutral to the rates set on July 1, 2009. This initiative reflects a reduction of approximately 4%. | MaineCare Hospitals | Federal Expenditures Fund   | 1    | 735         |                                    | Y                             | \$0         | (\$2,672,868)  |

| Line # | Prog. Code | Program                              | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class     | Fund                              | Unit Line Number | HHS Notes  | HHS Vote  | FY 10 Total | FY 11 Total   |
|--------|------------|--------------------------------------|--------------|--|--|---------------------|-----------------------------------|------------------|--|---|-------------|---------------|
| 107    | 147        | Medical Care - Payments to Providers | F-A-7216     | Reduces funding by lowering hospital reimbursement by using a diagnosis-related groups methodology.  | The Office of MaineCare Services and the Maine Hospital Association have agreed upon a diagnosis related group (DRG) methodology. Currently each Maine hospital is paid a flat hospital-specific rate per discharge that is based on historical costs. The DRG plan will phase hospitals into a statewide rate. Each DRG is specific to the reason for the admission and weighted using Maine-specific data. The agreed upon DRG methodology is budget neutral to the rates set on July 1, 2009. This initiative reflects a reduction of approximately 4%. | MaineCare Hospitals | Federal Expenditures Fund<br>ARRA | 1 736            |  | Y   | \$0         | (\$202,964)   |
| 108    | 147        | Medical Care - Payments to Providers | F-A-7259     | Reduces funding by reducing reimbursement for inpatient psychiatric hospitals services by \$500 per discharge.   | The department proposes to reduce the discharge rate for inpatient psychiatric services by \$500 per discharge. This reduction will save approximately \$1,250,000 annually (state and federal dollars). CP 1 modifies initiative text.  | MaineCare Hospitals | General Fund                      | 1 755            |  | Y   | \$0         | (\$386,875)   |
| 109    | 147        | Medical Care - Payments to Providers | F-A-7259     | Reduces funding by reducing reimbursement for inpatient psychiatric hospitals services by \$500 per discharge.   | The department proposes to reduce the discharge rate for inpatient psychiatric services by \$500 per discharge. This reduction will save approximately \$1,250,000 annually (state and federal dollars). CP 1 modifies initiative text.  | MaineCare Hospitals | Federal Expenditures Fund         | 1 756            |  | Y   | \$0         | (\$853,125)   |
| 110    | 147        | Medical Care - Payments to Providers | F-A-7261     | Reduces funding by limiting reimbursement for hospital outpatient services to 15 per year except for HIV, cancer treatment, prenatal care, kidney failure and transplant services. | The department proposes to eliminate reimbursement for hospital visits/fees/procedures when a member has received over 15 services per year, except for HIV, neoplasms (cancer treatment), prenatal care, kidney failure and transplants. This initiative will produce General Fund savings of \$1,480,214 in fiscal year 2010-11. CP 1 modifies initiative text. CP 1 modifies initiative text and adds ARRA impact.  | MaineCare Hospitals | General Fund                      | 1 761            | Dr. McDermott, Mayo Hospital, Dover-Foxcroft, Dr. Gagne, MMC, Portland, MaineCare Advisory Council, MEJP testified against service limits. Information requested on utilization management in commercial insurance. DHHS indicates they are talking with Mayo Hospital, which will see a 15% MaineCare funding cut, about initiative and affect on the hospital. | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | (\$1,480,214) |
| 111    | 147        | Medical Care - Payments to Providers | F-A-7261     | Reduces funding by limiting reimbursement for hospital outpatient services to 15 per year except for HIV, cancer treatment, prenatal care, kidney failure and transplant services. | The department proposes to eliminate reimbursement for hospital visits/fees/procedures when a member has received over 15 services per year, except for HIV, neoplasms (cancer treatment), prenatal care, kidney failure and transplants. This initiative will produce General Fund savings of \$1,480,214 in fiscal year 2010-11. CP 1 modifies initiative text and adds ARRA impact.   | MaineCare Hospitals | Federal Expenditures Fund         | 1 762            |  | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | (\$3,302,384) |
| 112    | 147        | Medical Care - Payments to Providers | F-A-7264     | Reduces funding by limiting inpatient hospital admissions per year.  | 2008, 26,297 MaineCare members had hospital admissions ranging from 1 admission to 44 admissions. The department proposes to limit reimbursement to 5 hospital admissions. This limit would save the State approximately \$641,000 per year (General Fund). These members would be the focus of our care management efforts to avoid hospitalizations.   | MaineCare Hospitals | General Fund                      | 1 765            | Protection and Advocacy for Persons with Mental Illness (PAMI) (in Disability Rights Center) opposed limit on inpatient admissions.  | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | (\$641,018)   |



| Line # | Program Code                                    | Initiative # | Initiative Text   | Initiative Justification  | Secondary Class     | Fund                           | Unit Number | HHS Notes | HHS Vote  | FY 10 Total | FY 11 Total   |
|--------|---|--------------|---|---|---------------------|--------------------------------|-------------|-----------|---|-------------|---------------|
| 113    | 147 Medical Care - Payments to Providers        | F-A-7264     | Reduces funding by limiting reimbursement to 5 inpatient hospital admissions per year.  | In 2008, 26,297 MaineCare members had hospital admissions ranging from 1 admission to 44 admissions. The department proposes to limit reimbursement to 5 hospital admissions. This limit would save the State approximately \$641,000 per year (General Fund). These members would be the focus of our care management efforts to avoid hospitalizations. | MaineCare Hospitals | Federal Expenditures Fund      | 1 766       |           | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | (\$1,430,123) |
| 114    | 147 Medical Care - Payments to Providers        | F-A-7270     | Reduces funding by reimbursing mental health and substance abuse outpatient hospital services consistent with MaineCare nonhospital policy. The corresponding state funding decreases are in the Mental Health Services, Community Medicaid and Office of Substance Abuse Medicaid Seed programs. | This initiative will clarify the definition of hospital outpatient services to exclude services covered by Section 65 of the MaineCare Benefits Manual. Hospitals providing such services would submit claims on a HCFA 1500 and would be reimbursed according to the Section 65 fee schedule, the same as non-hospital providers of these services.      | MaineCare Hospitals | Federal Expenditures Fund      | 1 761       |           | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | (\$2,264,342) |
| 114    | 732 Mental Health Services - Community Medicaid | F-A-7270     | Reduces funding by reimbursing mental health and substance abuse outpatient hospital services consistent with MaineCare nonhospital policy. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program.  | This initiative will clarify the definition of hospital outpatient services to exclude services covered by Section 65 of the MaineCare Benefits Manual. Hospitals providing such services would submit claims on a HCFA 1500 and would be reimbursed according to the Section 65 fee schedule, the same as non-hospital providers of these services.      | MaineCare Hospitals | General Fund                   | 14 191      |           | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | (\$780,360)   |
| 115    | 844 Office of Substance Abuse - Medicaid Seed   | F-A-7270     | Reduces funding by reimbursing mental health and substance abuse outpatient hospital services consistent with MaineCare nonhospital policy. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program.  | This initiative will clarify the definition of hospital outpatient services to exclude services covered by Section 65 of the MaineCare Benefits Manual. Hospitals providing such services would submit claims on a HCFA 1500 and would be reimbursed according to the Section 65 fee schedule, the same as non-hospital providers of these services.      | MaineCare Hospitals | General Fund                   | 1 203       |           | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | (\$234,577)   |
| 116    | 147 Medical Care - Payments to Providers        | F-A-1309     | Reduces funding in the Medical Care - Payments to Providers program to correct an over-allocation from State Fiscal Stabilization Funds.  | This initiative reduces funding to correct an overallocation that was included in PL 2009, c. 213.  | MaineCare Other     | Federal Expenditures Fund ARRA | 2 701       |           | Y   | (\$450,000) | \$0           |

| Line # | Prog. Code | Program                              | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class | Fund                           | Unit Number | HHS Notes | HHS Vote | FY 10 Total | FY 11 Total |
|--------|------------|--------------------------------------|--------------|--|--|-----------------|--------------------------------|-------------|-----------|----------|-------------|-------------|
| 117    | 147        | Medical Care - Payments to Providers | F-A-1914     | Provides funding to support changes in the eligibility criteria for the Children's Health Insurance Program. | Under eligibility guidelines the Parents Expansion population is given a \$90 work related expense disregard from their countable income. Prior to the Children's Health Insurance Program eligibility rule change, this same disregard was not in place. As a result approximately 80 children were not covered by Medicaid when their parents were deemed eligible. This rule change was put in place to provide consistency between the eligibility requirements. | MaineCare Other | General Fund                   | 1 702       |           | Y        | \$71,384    | \$71,384    |
| 118    | 147        | Medical Care - Payments to Providers | F-A-1914     | Provides funding to support changes in the eligibility criteria for the Children's Health Insurance Program. | Under eligibility guidelines the Parents Expansion population is given a \$90 work related expense disregard from their countable income. Prior to the Children's Health Insurance Program eligibility rule change, this same disregard was not in place. As a result approximately 80 children were not covered by Medicaid when their parents were deemed eligible. This rule change was put in place to provide consistency between the eligibility requirements. | MaineCare Other | Federal Block Grant Fund       | 1 703       |           | Y        | \$218,678   | \$218,678   |
| 119    | 147        | Medical Care - Payments to Providers | F-A-1916     | Provides funding for the increase in Medicare Part B premium payments.                                       | The State is required to pay Medicare Part B premiums for individuals enrolled in Qualified Medicare Beneficiary (QMB) or Specified Low-income Medicare Beneficiary (SLMB) Medicare Savings Plans. The Medicare Part B premium is increasing as of January 1, 2010 from \$96.40 per month to \$110.50 per month.   | MaineCare Other | General Fund                   | 1 710       |           | Y        | \$1,741,141 | \$4,165,856 |
| 120    | 147        | Medical Care - Payments to Providers | F-A-1916     | Provides funding for the increase in Medicare Part B premium payments.                                       | The State is required to pay Medicare Part B premiums for individuals enrolled in Qualified Medicare Beneficiary (QMB) or Specified Low-income Medicare Beneficiary (SLMB) Medicare Savings Plans. The Medicare Part B premium is increasing as of January 1, 2010 from \$96.40 per month to \$110.50 per month.   | MaineCare Other | Federal Expenditures Fund      | 1 711       |           | Y        | \$4,491,021 | \$9,002,128 |
| 121    | 147        | Medical Care - Payments to Providers | F-A-1916     | Provides funding for the increase in Medicare Part B premium payments.                                       | The State is required to pay Medicare Part B premiums for individuals enrolled in Qualified Medicare Beneficiary (QMB) or Specified Low-income Medicare Beneficiary (SLMB) Medicare Savings Plans. The Medicare Part B premium is increasing as of January 1, 2010 from \$96.40 per month to \$110.50 per month.   | MaineCare Other | Federal Expenditures Fund ARRA | 1 712       |           | Y        | \$693,617   | \$683,574   |

| Line # | Program Code                             | Initiative # | Initiative Text   | Initiative Justification  | Secondary Class | Fund                            | Unit | Line Number | HHS Notes   | HHS Vote                                   | FY 10 Total  | FY 11 Total    |
|--------|--|--------------|---|---|-----------------|---------------------------------|------|-------------|---|--|--------------|----------------|
| 122    | 147 Medical Care - Payments to Providers | F-A-1917     | Adjusts funding between fiscal years to enable the accelerated claims run-out process for the Maine Claims Management System (MeCMS). | The department contracted with actuaries to estimate the potential impact of accelerated claim submission rates during the run-out period on state fiscal budgets. One of the key components to the run-out strategy is to incent providers to submit claims promptly since the plan is to maintain MeCMS operations for only six months. This means that future fiscal year expenditures will be accelerated to earlier time periods.  | MaineCare Other | General Fund                    | 1    | 715         |   | Y  | \$6,622,154  | (\$6,622,154)  |
| 123    | 147 Medical Care - Payments to Providers | F-A-1917     | Adjusts funding between fiscal years to enable the accelerated claims run-out process for the Maine Claims Management System (MeCMS). | The department contracted with actuaries to estimate the potential impact of accelerated claim submission rates during the run-out period on state fiscal budgets. One of the key components to the run-out strategy is to incent providers to submit claims promptly since the plan is to maintain MeCMS operations for only six months. This means that future fiscal year expenditures will be accelerated to earlier time periods.  | MaineCare Other | Federal Expenditures Fund       | 1    | 716         |   | Y  | \$17,119,084 | (\$17,119,084) |
| 124    | 147 Medical Care - Payments to Providers | F-A-1917     | Adjusts funding between fiscal years to enable the accelerated claims run-out process for the Maine Claims Management System (MeCMS). | The department contracted with actuaries to estimate the potential impact of accelerated claim submission rates during the run-out period on state fiscal budgets. One of the key components to the run-out strategy is to incent providers to submit claims promptly since the plan is to maintain MeCMS operations for only six months. This means that future fiscal year expenditures will be accelerated to earlier time periods.  | MaineCare Other | Federal Expenditures Fund, ARRA | 1    | 717         |   | Y  | \$2,599,867  | (\$2,599,867)  |
| 125    | 147 Medical Care - Payments to Providers | F-A-1919     | Provides funding for the increased cost of Medicare Part D payments.  | The State of Maine participates in the Medicare Part D program with the federal government and contributes a phased-down percentage. Based on projections by the federal Centers for Medicare and Medicaid Services (CMS) and the growth of participation the department projects an increased need to fully fund the payments to CMS.  | MaineCare Other | General Fund                    | 1    | 720         |   | N, 2/19, D/HHS says not needed.            | \$195,264    | \$390,528      |
| 126    | 147 Medical Care - Payments to Providers | F-A-7220     | Reduces funding by changing the disability determination cutoff from 45 days to 90 days.  | A court decision in the '70s required that a disability determination be made in 45 days. After 45 days, the person becomes eligible for temporary coverage which is 100% state-funded. In the '80s, the federal law required the decision in 90 days and then required temporary coverage. We would petition the court to change the decision to mirror the federal law. There were 3,800 individuals who received temporary coverage who did not become eligible for a federally-funded coverage group. | MaineCare Other | General Fund                    | 1    | 750         | MEJP-need to change court order in Polk case. Sean Yardley-municipalities pay Rx costs during waiting period, via GA, suggests funding eligibility workers to assist people applying for disability, speeding recovery of federal repayment of benefits. MEJP opposed. Kate Knox, American PT Assoc, testified against, citing need for timely services, particularly for children with injuries. Several consumers testified to need for care while application was pending. | N. See items #159 and 160 and Attachment D | \$0          | (\$1,000,000)  |

| Line # | Prog. Code | Program                              | Initiative # | Initiative Text  | Initiative Justification  | Secondary Fund Class | Unit Line Number | HHS Notes  | HHS Vote       | FY 10 Total | FY 11 Total   |
|--------|------------|--------------------------------------|--------------|--|---|----------------------|------------------|--|----------------|-------------|---------------|
| 127    | 147        | Medical Care - Payments to Providers | F-A-7269     | Reduces funding by instituting several policy changes aimed at limiting the ability of individuals to shelter assets and then receive long-term care services.   | The department proposes several policy changes aimed at limiting the ability for individuals to "shelter" assets and then receive long term care services. Through rule change we will clarify and strengthen the definition and application of "income producing property," redefine the equity exclusion on primary residences and require verification of the cash value of irrevocable, non-assignable and actuarially sound annuities. These changes are anticipated to save approximately \$2,150,000 annually in General Fund dollars. | MaineCare Other      | 1 778            | Léo Delicata, LSE- opposes, raises issues of ARRA prohibition on limiting eligibility. Information needed on proposal. Note: is amending language needed to provide statutory or rulemaking authority to DHHS? | Y, 10-2, 2/19. | \$0         | (\$2,150,000) |
| 128    | 147        | Medical Care - Payments to Providers | F-A-7269     | Reduces funding by instituting several policy changes aimed at limiting the ability of individuals to shelter assets and then receive long-term care services.   | The department proposes several policy changes aimed at limiting the ability for individuals to "shelter" assets and then receive long term care services. Through rule change we will clarify and strengthen the definition and application of "income producing property," redefine the equity exclusion on primary residences and require verification of the cash value of irrevocable, non-assignable and actuarially sound annuities. These changes are anticipated to save approximately \$2,150,000 annually in General Fund dollars. | MaineCare Other      | 1 779            |  | Y, 10-2, 2/19. | \$0         | (\$4,796,688) |
| 129    | 129        | Bureau of Medical Services           | F-A-7276     | Establishes 2 Auditor II positions in the Office of Management and Budget program to continue the department's focus on identifying fraud, waste and abuse. Position costs are allocated 50% General Fund in the Office of Management and Budget program and 50% Federal Expenditures Fund in the Bureau of Medical Services program. The work of the new staff will increase collections and allow for a reduction in the Medical Care - Payments to Providers program. | The two additional staff members will work with the Federal Government's Medicaid Integrity contractors and utilize the SURS component of M/HMS. This will allow the department to recover additional funding of approximately \$600,000 per auditor per year.  | MaineCare Other      | 1 558            |  | Y              | \$0         | \$76,900      |



| Line # | Program Code                             | Initiative # | Initiative Text  | Initiative Justification  | Secondary Class    | Fund         | Unit | Line# | HHS Notes     | HHS Vote | FY 10 Total | FY 11 Total   |
|--------|--|--------------|--|---|--------------------|--------------|------|-------|---------------|----------|-------------|---------------|
| 130    | 142 Office of Management and Budget      | F-A-7276     | Establishes 2 Auditor II positions in the Office of Management and Budget program to continue the department's focus on identifying fraud, waste and abuse. Position costs are allocated 50% General Fund in the Office of Management and Budget program and 50% Federal Expenditures Fund in the Bureau of Medical Services program. The work of the new staff will increase collections and allow for a reduction in the Medical Care - Payments to Providers program. | The two additional staff members will work with the Federal Government's Medicaid Integrity contractors and utilize the SURS component of MHMS. This will allow the department to recover additional funding of approximately \$600,000 per auditor per year. | MaineCare<br>Other | General Fund | 1    | 616   |               | Y        | \$0         | \$72,992      |
| 131    | 147 Medical Care - Payments to Providers | F-A-7276     | Establishes 2 Auditor II positions in the Office of Management and Budget program to continue the department's focus on identifying fraud, waste and abuse. Position costs are allocated 50% General Fund in the Office of Management and Budget program and 50% Federal Expenditures Fund in the Bureau of Medical Services program. The work of the new staff will increase collections and allow for a reduction in the Medical Care - Payments to Providers program. | The two additional staff members will work with the Federal Government's Medicaid Integrity contractors and utilize the SURS component of MHMS. This will allow the department to recover additional funding of approximately \$600,000 per auditor per year. | MaineCare<br>Other | General Fund | 1    | 793   | See item 130. | Y        | \$0         | (\$1,200,000) |

| Line # | Prog. Code | Program                            | Initiative # | Initiative Text  | Initiative Justification  | Secondary Class | Fund                      | Unit Number | HHS Notes         | HHS Vote | FY 10 Total | FY 11 Total   |
|--------|------------|------------------------------------|--------------|--|---|-----------------|---------------------------|-------------|-------------------|----------|-------------|---------------|
| 132    | 147        | Medical Care Payments to Providers | F-A-7276     | Establishes 2 Auditor II positions in the Office of Management and Budget program to continue the department's focus on identifying fraud, waste and abuse. Position costs are allocated 50% General Fund in the Office of Management and Budget program and 50% Federal Expenditures Fund in the Bureau of Medical Services program. The work of the new staff will increase collections and allow for a reduction in the Medical Care - Payments to Providers program. | The two additional staff members will work with the Federal Government's Medicaid Integrity contractors and utilize the SURS component of MHMS. This will allow the department to recover additional funding of approximately \$600,000 per auditor per year. | MaineCare Other | Federal Expenditures Fund | 1           | 794 See item 130. | Y        | \$0         | (\$2,677,221) |
| 133    | Y161       | Information Technology             | F-A-7276     | Establishes 2 Auditor II positions in the Office of Management and Budget program to continue the department's focus on identifying fraud, waste and abuse. Position costs are allocated 50% General Fund in the Office of Management and Budget program and 50% Federal Expenditures Fund in the Bureau of Medical Services program. The work of the new staff will increase collections and allow for a reduction in the Medical Care - Payments to Providers program. | The two additional staff members will work with the Federal Government's Medicaid Integrity contractors and utilize the SURS component of MHMS. This will allow the department to recover additional funding of approximately \$600,000 per auditor per year. | MaineCare Other | General Fund              | 1           | 912 See item 130. | Y        | \$0         | \$2,117       |

| Line # | Prog. Code | Program                              | Initiative # | Initiative Text   | Initiative Justification  | Secondary Class     | Fund                  | Unit Number | HHS Notes   | HHS Vote                            | FY 10 Total | FY 11 Total   |
|--------|------------|--------------------------------------|--------------|---|---|---------------------|-----------------------|-------------|---|-------------------------------------|-------------|---------------|
| 134    | 147        | Medical Care - Payments to Providers | F-A-7285     | Reduces funding by amending state estate recovery law as it relates to elective share and joint tenancy.              | The department proposes to amend Maine estate recovery law as it relates to elective share and joint tenancy. These changes are anticipated to save up to \$2,925,200 annually in General Fund dollars. This initiative would change the current statute so that it will not permit a denial of a spouse's rights to elective share merely because they are being supported by public benefits. This change could potentially impact 6 cases and generate General Fund savings of approximately \$175,200 per year. This initiative also proposes changing the estate recovery statute to include joint tenancy in real property so long as the joint tenant is someone other than the surviving spouse. This change could impact 100 cases per year and generate General Fund savings of approximately \$2,750,000 per year. | MaineCare Other     | General Fund          | 1           | 799 See Language Part UU. Leo Delicata, LSE - opposes, characterizes proposal as limit on eligibility, potentially violating ARRA prohibition on new limitations in MaineCare. Depends on enactment of Part UU. Judiciary Committee rejected concept of UU in LD 365, enacting it as PL chapter 150 without provisions of UU. Leo Delicata, LSE - opposes, raises issues of ARRA prohibition on limiting eligibility. | Y, 9-3, 2/19. See language Part U U | \$0         | (\$2,925,200) |
| 135    | 147        | Medical Care - Payments to Providers | F-A-7285     | Reduces funding by amending state estate recovery law as it relates to elective share and joint tenancy.              | The department proposes to amend Maine estate recovery law as it relates to elective share and joint tenancy. These changes are anticipated to save up to \$2,925,200 annually in General Fund dollars. This initiative would change the current statute so that it will not permit a denial of a spouse's rights to elective share merely because they are being supported by public benefits. This change could potentially impact 6 cases and generate General Fund savings of approximately \$175,200 per year. This initiative also proposes changing the estate recovery statute to include joint tenancy in real property so long as the joint tenant is someone other than the surviving spouse. This change could impact 100 cases per year and generate General Fund savings of approximately \$2,750,000 per year. | MaineCare Other     | Federal Expenses Fund | 1           | 800   | Y, 9-3, 2/19. See language Part U U | \$0         | (\$6,526,173) |
| 136    | 147        | Medical Care - Payments to Providers | F-A-1915     | Provides funding on a one-time basis to reimburse ambulatory care clinics for the administration of the H1N1 vaccine. | Approximately 70,000 children will receive the H1N1 vaccine through their school systems. Changes have been made to the MaineCare benefits manual to allow schools to bill as ambulatory care clinics for the purpose of providing and billing for the administration of the vaccine. Vaccination requires 3 courses at an administration cost of \$5 per course. Approximately 53,000 Medicaid-eligible adults will receive the H1N1 vaccine through ambulatory care clinics. Adults require one course of the vaccine with an administration cost of \$5.   | MaineCare Providers | General Fund          | 1           | 705   | Y                                   | \$330,591   | \$0           |

| Line # | Prog. Code | Program                            | Initiative # | Initiative Text   | Initiative Justification  | Secondary Class     | Fund                           | Unit | Line Number | HHS Notes  | HHS Vote | FY 10 Total | FY 11 Total |
|--------|------------|------------------------------------|--------------|---|---|---------------------|--------------------------------|------|-------------|--|----------|-------------|-------------|
| 137    | 147        | Medical Care Payments to Providers | F-A-1915     | Provides funding on a one-time basis to reimburse ambulatory care clinics for the administration of the H1N1 vaccine. | Approximately 70,000 children will receive the H1N1 vaccine through their school systems. Changes have been made to the MaineCare benefits manual to allow schools to bill as ambulatory care clinics for the purpose of providing and billing for the administration of the vaccine. Vaccination requires 3 courses at an administration cost of \$5 per course. Approximately 53,000 Medicaid-eligible adults will receive the H1N1 vaccine through ambulatory care clinics. Adults require one course of the vaccine with an administration cost of \$5. | MaineCare Providers | Federal Expenditures Fund      | 1    | 706         |  | Y        | \$854,619   | \$0         |
| 138    | 147        | Medical Care Payments to Providers | F-A-1915     | Provides funding on a one-time basis to reimburse ambulatory care clinics for the administration of the H1N1 vaccine. | Approximately 70,000 children will receive the H1N1 vaccine through their school systems. Changes have been made to the MaineCare benefits manual to allow schools to bill as ambulatory care clinics for the purpose of providing and billing for the administration of the vaccine. Vaccination requires 3 courses at an administration cost of \$5 per course. Approximately 53,000 Medicaid-eligible adults will receive the H1N1 vaccine through ambulatory care clinics. Adults require one course of the vaccine with an administration cost of \$5. | MaineCare Providers | Federal Expenditures Fund ARRA | 1    | 707         |  | Y        | \$129,780   | \$0         |
| 139    | 147        | Medical Care Payments to Providers | F-A-7217     | Reduces funding for the pharmacy incentive payment.   | MaineCare pays a supplemental dispensing fee for prescriptions provided to members residing in rural areas in an attempt to assure continuing access to prescription services. The Pharmacy Incentive Payment dispensing fee ranges from \$0.55 to \$0.65 per prescription and changes on a quarterly basis to reflect the number of prescriptions filled in the prior quarter. This initiative will reduce the pharmacy incentive payment from an annual amount of \$2 million to \$1.57 million.  | MaineCare Providers | General Fund                   | 1    | 739         | Pharmacy reps cited no raise in dispensing fee in 10 years and effect of FirstData Bank and Medi-Span, which will cause 4% cut this year and save MaineCare \$1.4million. Also consider LD 1615 which would raise pharmacy reimbursement and retain dispensing fee at \$3.35. See item 55. Information needed on proposal for incentive payments paid in addition to normal pharmacy \$3.35 per script dispensing fee. | N        | \$0         | (\$114,510) |
| 140    | 147        | Medical Care Payments to Providers | F-A-7217     | Reduces funding for the pharmacy incentive payment.   | MaineCare pays a supplemental dispensing fee for prescriptions provided to members residing in rural areas in an attempt to assure continuing access to prescription services. The Pharmacy Incentive Payment dispensing fee ranges from \$0.55 to \$0.65 per prescription and changes on a quarterly basis to reflect the number of prescriptions filled in the prior quarter. This initiative will reduce the pharmacy incentive payment from an annual amount of \$2 million to \$1.57 million.  | MaineCare Providers | Federal Expenditures Fund      | 1    | 740         |  | N        | \$0         | (\$247,389) |



| Line # | Prog. Code | Program                            | Initiative # | Initiative Text  | Initiative Justification  | Secondary Class     | Fund                           | Unit | Line Number | HHS Notes   | HHS Vote        | FY 10 Total | FY 11 Total   |
|--------|------------|------------------------------------|--------------|--|---|---------------------|--------------------------------|------|-------------|---|-----------------|-------------|---------------|
| 141    | 147        | Medical Care Payments to Providers | F-A-7217     | Reduces funding for the pharmacy incentive payment.  | MaineCare pays a supplemental dispensing fee for prescriptions provided to members residing in rural areas in an attempt to assure continuing access to prescription services. The Pharmacy Incentive Payment dispensing fee ranges from \$0.55 to \$0.65 per prescription and changes on a quarterly basis to reflect the number of prescriptions filled in the prior quarter. This initiative will reduce the pharmacy incentive payment from an annual amount of \$2 million to \$1.57 million.  | MaineCare Providers | Federal Expenditures Fund ARRA | 1    | 741         |   | N               | \$0         | (\$18,786)    |
| 142    | 147        | Medical Care Payments to Providers | F-A-7260     | Reduces funding by modifying the methodology used to reimburse nonhospital-based physicians. | The department proposes to revise the reimbursement methodology for physicians to save a total of \$5 million (state and federal) in fiscal year 2010-11. This will be consistent with the methodology used between Medicare facility/non-facility differential. For example, a radiologist reading an x-ray on hospital-owned equipment will be paid less than for the same reading on equipment the radiologist owns. The American Recovery and Reinvestment Act hold harmless provision prevents any cuts from current rates. This initiative will produce General Fund savings of \$1,547,000 in fiscal year 2010-11. | MaineCare Providers | General Fund                   | 1    | 758         |   | Y               | \$0         | (\$1,547,500) |
| 143    | 147        | Medical Care Payments to Providers | F-A-7260     | Reduces funding by modifying the methodology used to reimburse nonhospital-based physicians. | The department proposes to revise the reimbursement methodology for physicians to save a total of \$5 million (state and federal) in fiscal year 2010-11. This will be consistent with the methodology used between Medicare facility/non-facility differential. For example, a radiologist reading an x-ray on hospital-owned equipment will be paid less than for the same reading on equipment the radiologist owns. The American Recovery and Reinvestment Act hold harmless provision prevents any cuts from current rates. This initiative will produce General Fund savings of \$1,547,000 in fiscal year 2010-11. | MaineCare Providers | Federal Expenditures Fund      | 1    | 759         |   | Y               | \$0         | (\$3,452,500) |
| 144    | 147        | Medical Care Payments to Providers | F-A-7266     | Reduces funding by limiting reimbursement for laboratory and x-ray services to 15 per year.  | The department proposes to eliminate reimbursement for lab and x-ray visits/tests/procedures when a member has received over 15 services per year, except for HIV, neoplasms (cancer treatment), prenatal care, kidney failure and transplants. This initiative will produce General Fund savings of \$169,000 in fiscal year 2010-11.  | MaineCare Providers | General Fund                   | 1    | 769         | Questions raised about implementation, tracking visits, commercial insurance utilization controls. See opposition to benefits limits, item 5. | N, B-2, abstain | \$0         | (\$169,000)   |

| Line # | Program                              | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class     | Fund                      | Unit | Line Number | HHS Notes   | HHS Vote            | FY 10 Total | FY 11 Total    |
|--------|--------------------------------------|--------------|--|--|---------------------|---------------------------|------|-------------|---|---------------------|-------------|----------------|
| 145    | Medical Care - Payments to Providers | F-A-7266     | Reduces funding by limiting reimbursement for laboratory and x-ray services to 15 per year.  | The department proposes to eliminate reimbursement for lab and x-ray visits/tests/procedures when a member has received over 15 services per year, except for HIV, neoplasms (cancer treatment), prenatal care, kidney failure and transplants. This initiative will produce General Fund savings of \$169,000 in fiscal year 2010-11.   | MaineCare Providers | Federal Expenditures Fund | 1    | 770         |   | N, 8-2, 1 abstain.  | \$0         | (\$377,042)    |
| 146    | Medical Care - Payments to Providers | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text | MaineCare Providers | General Fund              | 1    | 782         | Questions raised about effect of 10% across the board cut. Mention of family planning 1-9 federal match rate. MSEA identified against for child care and Alpha One workers. Kate Knox, American PT Assoc, cited current rates paying 30% of cost and waiting lists for services. Kait Roe, MaineCare Advisory Council, cited requirement that MaineCare members get medically necessary care and risk that providers will discontinue participation in MaineCare. Andrew Bossie, Maine AIDS Alliance, opposed 10% cut in case management, as did patients and advocates and home care providers and alternative response child welfare services providers. PNMI providers suggested rate standardization. Info needed on 2008 and 2009 work done by DHHS and PNMI providers. Request made on positions of Plaintiffs and Court Master in AMHI consent decree case on this cut and others. Some consumer-directed services are MaineCare (sec 12 and 22), these will get 10% rate reduction. | N, 10-0, 1 abstain. | \$0         | (\$14,519,175) |
| 147    | Medical Care - Payments to Providers | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text | MaineCare Providers | Federal Expenditures Fund | 1    | 783         |   | N, 10-0, 1 abstain. | \$0         | (\$58,611,037) |

| Line # | Prog. Code | Program                              | Initiative # | Initiative Text  | Initiative Justification  | Secondary Class   | Fund                  | Unit Number | HHS Notes | HHS Vote           | FY 10 Total   | FY 11 Total   |
|--------|------------|--------------------------------------|--------------|--|---|-------------------|-----------------------|-------------|-----------|--------------------|---------------|---------------|
| 148    | 147        | Medical Care - Payments to Providers | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates adjusted for tax implications would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. <b>CPI modifies initiative text.</b> | MaineCare Other   | Special Revenue Funds | 1 784       |           | N, 10-0, 1 abstain | \$0           | (\$1,280,745) |
| 149    | 147        | Medical Care - Payments to Providers | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates adjusted for tax implications would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. <b>CPI modifies initiative text.</b> | MaineCare Federal | Expenditures ARRA     | 1 785       |           | N, 10-0, 1 abstain | \$0           | (\$4,526,125) |
| 150    | 147        | Medical Care - Payments to Providers | F-A-7283     | Adjusts funding in the various MaineCare accounts to reflect modifications to projections of MaineCare-dedicated tax revenues, to comport with Revenue Forecasting Committee projections.  | The Revenue Forecasting Committee projected the revenue of the nursing facilities tax, hospital tax and several of the service provider taxes at its May 2009 and November 2009 meetings. This initiative adjusts the applicable Other Special Revenue Funds accounts as necessary.   | MaineCare Other   | Special Revenue Funds | 1 796       |           | Y                  | (\$761,888)   | (\$1,147,107) |
| 151    | 147        | Medical Care - Payments to Providers | F-A-7283     | Adjusts funding in the various MaineCare accounts to reflect modifications to projections of MaineCare-dedicated tax revenues, to comport with Revenue Forecasting Committee projections.  | The Revenue Forecasting Committee projected the revenue of the nursing facilities tax, hospital tax and several of the service provider taxes at its May 2009 and November 2009 meetings. This initiative adjusts the applicable Other Special Revenue Funds accounts as necessary.   | MaineCare Other   | Special Revenue Funds | 4 797       |           | Y                  | (\$1,779,442) | (\$1,779,442) |
| 152    | 148        | Nursing Facilities                   | F-A-7283     | Adjusts funding in the various MaineCare accounts to reflect modifications to projections of MaineCare-dedicated tax revenues, to comport with Revenue Forecasting Committee projections.  | The Revenue Forecasting Committee projected the revenue of the nursing facilities tax, hospital tax and several of the service provider taxes at its May 2009 and November 2009 meetings. This initiative adjusts the applicable Other Special Revenue Funds accounts as necessary.   | MaineCare Other   | Special Revenue Funds | 2 815       |           | Y                  | \$413,910     | (\$330,071)   |



| Line # | Program   | Initiative # | Initiative Text   | Initiative Justification  | Secondary Fund Class                           | Unit Number | HHS Notes | IHHS Vote | FY 10 Total | FY 11 Total |
|--------|---|--------------|---|---|--|-------------|-----------|-----------|-------------|-------------|
| 153    | 705 Medicaid Services - Mental Retardation      | F-A-7283     | Adjusts funding in the various MaineCare accounts to reflect modifications to projections of MaineCare-dedicated tax revenues, to comport with Revenue Forecasting Committee projections. | The Revenue Forecasting Committee projected the revenue of the nursing facilities tax, hospital tax and several of the service provider taxes at its May 2009 and November 2009 meetings. This initiative adjusts the applicable Other Special Revenue Funds accounts as necessary. | MaineCare Taxes<br>Other Special Revenue Funds | 42 180      |           | Y         | (\$15,333)  | (\$15,710)  |
| 154    | 705 Medicaid Services - Mental Retardation      | F-A-7283     | Adjusts funding in the various MaineCare accounts to reflect modifications to projections of MaineCare-dedicated tax revenues, to comport with Revenue Forecasting Committee projections. | The Revenue Forecasting Committee projected the revenue of the nursing facilities tax, hospital tax and several of the service provider taxes at its May 2009 and November 2009 meetings. This initiative adjusts the applicable Other Special Revenue Funds accounts as necessary. | MaineCare Taxes<br>Other Special Revenue Funds | 52 181      |           | Y         | (\$19,102)  | (\$432,956) |
| 155    | 732 Mental Health Services - Community Medicaid | F-A-7283     | Adjusts funding in the various MaineCare accounts to reflect modifications to projections of MaineCare-dedicated tax revenues, to comport with Revenue Forecasting Committee projections. | The Revenue Forecasting Committee projected the revenue of the nursing facilities tax, hospital tax and several of the service provider taxes at its May 2009 and November 2009 meetings. This initiative adjusts the applicable Other Special Revenue Funds accounts as necessary. | MaineCare Taxes<br>Other Special Revenue Funds | 44 193      |           | Y         | (\$68,414)  | (\$70,124)  |
| 156    | 732 Mental Health Services - Community Medicaid | F-A-7283     | Adjusts funding in the various MaineCare accounts to reflect modifications to projections of MaineCare-dedicated tax revenues, to comport with Revenue Forecasting Committee projections. | The Revenue Forecasting Committee projected the revenue of the nursing facilities tax, hospital tax and several of the service provider taxes at its May 2009 and November 2009 meetings. This initiative adjusts the applicable Other Special Revenue Funds accounts as necessary. | MaineCare Taxes<br>Other Special Revenue Funds | 46 194      |           | Y         | (\$566,110) | (\$657,369) |
| 157    | 844 Office of Substance Abuse Medicaid Seed     | F-A-7283     | Adjusts funding in the various MaineCare accounts to reflect modifications to projections of MaineCare-dedicated tax revenues, to comport with Revenue Forecasting Committee projections. | The Revenue Forecasting Committee projected the revenue of the nursing facilities tax, hospital tax and several of the service provider taxes at its May 2009 and November 2009 meetings. This initiative adjusts the applicable Other Special Revenue Funds accounts as necessary. | MaineCare Taxes<br>Other Special Revenue Funds | 1 205       |           | Y         | (\$17,360)  | (\$17,793)  |
| 158    | 978 Residential Treatment Facilities Assessment | F-A-7283     | Adjusts funding in the various MaineCare accounts to reflect modifications to projections of MaineCare-dedicated tax revenues, to comport with Revenue Forecasting Committee projections. | The Revenue Forecasting Committee projected the revenue of the nursing facilities tax, hospital tax and several of the service provider taxes at its May 2009 and November 2009 meetings. This initiative adjusts the applicable Other Special Revenue Funds accounts as necessary. | MaineCare Taxes<br>Other Special Revenue Funds | 1 209       |           | Y         | (\$114,167) | (\$152,808) |



| Line # | Program Code   | Initiative # | Initiative Text  | Initiative Justification  | Secondary Fund Class   | Unit Line Number | HHS Notes   | HHS Vote                         | FY 10 Total | FY 11 Total |
|--------|--|--------------|--|---|------------------------|------------------|---|----------------------------------|-------------|-------------|
| 159    | 130 General Assistance Reimbursement to Cities and Towns       | F-A-1922     | Provides funding in the General Assistance - Reimbursement to Cities and Towns program for increased costs in benefits and offsets the appropriation in the Supplemental for the State Supplemental Security Income program.   | The General Assistance program reimburses municipalities on an eligibility basis. When municipalities expend funds to clients, the state is required to reimburse them for the state's portion.   | Public Assistance Fund | 1 565            | Questions raised about disproportionate impact on select communities, shifting of burden to municipal level. Sean Yardley suggested funding eligibility workers to assist people applying for Soc Sec disability to qualify, speeding recovery of federal repayment of paid out benefits. JO-read together with Part YY on GA reimbursement rate when municipal costs exceed .003% of state tax valuation. Governor Richard Phillips-Doyle, Passamaquoddy Pleasant Point Reservation impact equals 4 months of benefits costs. Maximum benefit is \$300/mo. Impact on Portland \$1.15-1.3million, on Bangor \$550,000. History of GA benefits and cuts requested. Rep Stuckey awaiting GA report from LD 1303 and 1375 from DHHS, due 2/15/10. Chris Hastedi, MEJP, suggested applying for ARRA TANF Emergency Funds for added assistance costs for families with children. Rep Millitt requested proposal to equalize burden among municipalities. | Y, as amended. See Attachment D. | \$880,000   | \$0         |
| 160    | 131 State Supplemental to Federal Supplemental Security Income | F-A-1923     | Provides funding in the General Assistance - Reimbursement to Cities and Towns program for increased costs in benefits and offsets the appropriation with a reduction in the appropriation for the State Supplemental to Federal Supplemental Security Income program. | The General Assistance program reimburses municipalities on an eligibility basis. When municipalities expend funds to clients, the state is required to reimburse them for the state's portion.   | Public Assistance Fund | 1 567            | See item 159.   | Y, as amended. See Attachment D. | (\$880,000) | \$0         |
| 161    | 453 Bureau of Family Independence - Regional                   | F-A-7212     | Income program. Reduces Adjusts funding from savings achieved through the administrative consolidation of the Low-income Home Energy Assistance program.   | This initiative will coordinate administration of the federally funded Low Income Home Energy Assistance Program (LIHEAP) with the Maine State Housing Authority. Savings will be achieved by integrating administration of this program with other financial assistance programs already administered by DHHS, utilizing income information already on file at DHHS to establish eligibility. CP1 moves from 2020-Office of Integrated Access and Support - Central Office and adds OSR Allocation | Public Assistance Fund | 1 938            | Info needed on transfer of eligibility to DHHS, savings in MSHA, how these savings are generated for DHHS.  | Y, 2/19.                         | \$0         | (\$500,000) |

| Line # | Prog. Code | Program   | Initiative # | Initiative Text  | Initiative Justification  | Secondary Class   | Fund                        | Unit | Line Number | HHS Notes  | HHS Vote | FY 10 Total | FY 11 Total   |
|--------|------------|---|--------------|--|---|-------------------|-----------------------------|------|-------------|--|----------|-------------|---------------|
| 161    | 453        | Bureau of Family Independence - Regional        | F-A-7212     | Reduces Adjusts funding from savings achieved through the administrative consolidation of the Low-income Home Energy Assistance program.   | This initiative will coordinate administration of the federally funded Low Income Home Energy Assistance Program (LIHEAP) with the Maine State Housing Authority. Savings will be achieved by integrating administration programs already administered by DHHS, utilizing income information already on file at DHHS to establish eligibility. CP1 moves from 2020-Office of Integrated Access and Support - Central Office and adds OSR Allocation   | Public Assistance | Other Special Revenue Funds | 1    | 938         | Info needed on transfer of eligibility to DHHS, savings in MSHA, how these savings are generated for DHHS. | Y, 2/19  | \$0         | \$500,000     |
| 162    | 130        | General Assistance - Health - Bureau of         | F-A-7223     | Changes the provisions in the Fund accounts administered by the Maine Center for Disease Control and Prevention. This includes a reduction in fiscal year 2009-10 of \$400,000 that is available from amounts that carried into the account from fiscal year 2008-09 and fiscal year 2010-11 reductions in the Office of the Maine CDC Director, Division of Environmental Health, Infectious Disease, Chronic Disease and Public Health Systems, including the Health, Environmental Testing Lab and the Maternal and Child Health Unit of the Division of Family Health. | This initiative will reduce funding in General Fund accounts administered by the Maine Center for Disease Control and Prevention. This includes a reduction in fiscal year 2009-10 of \$400,000 that is available from amounts that carried into the account from fiscal year 2008-09 and fiscal year 2010-11 reductions in the Office of the Maine CDC Director, Division of Environmental Health, Infectious Disease, Chronic Disease and Public Health Systems, including the Health, Environmental Testing Lab and the Maternal and Child Health Unit of the Division of Family Health. | Public Health     | General Fund                | 1    | 673         |  | Y        | \$0         | 0 (\$500,000) |
| 163    | 143        | Health - Bureau of                              | F-A-7286     | Provides funding on a one-time basis for program operating costs for the Health - Bureau of program and the Division of Data, Research and Vital Statistics program.   | This initiative provides one-time funding for operating costs for several programs administered by the Center for Disease Control. These programs include those for health inspections, radiation, vital records, subsurface waste and for the laboratory.  | Public Health     | General Fund                | 1    | 675         | Info needed on whether programs will require additional funding in FY11.                                   | Y        | \$1,660,000 | \$0           |
| 164    | 2037       | Division of Data, Research and Vital Statistics | F-A-7286     | Provides funding on a one-time basis for program operating costs for the Health - Bureau of program and the Division of Data, Research and Vital Statistics program.   | This initiative provides one-time funding for operating costs for several programs administered by the Center for Disease Control. These programs include those for health inspections, radiation, vital records, subsurface waste and for the laboratory.  | Public Health     | General Fund                | 1    | 1011        | See item 163.  | Y        | \$340,000   | \$0           |

| Line # | Prog. Code | Program   | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class | Fund         | Unit Line Number | HHS Notes  | HHS Vote  | FY 10 Total | FY 11 Total |
|--------|------------|---|--------------|--|--|-----------------|--------------|------------------|--|---|-------------|-------------|
| 165    | 228        | Purchased Social Services                                 | F-A-7206     | Reduces funding for contracted services for a variety of community supports.   | Under this proposal certain contracts funded with General Fund appropriations would be reduced. These include substance abuse services and Maine Children's Trust.   | Social Services | General Fund | 1                | 851<br>Cuts - In FY10 cut totals \$150,000: Crossroads for Women \$7,474, Maine Children's Trust \$41,795 (MCT also receives OSR from tax checkoff of \$48,300/yr), Family Planning \$89,879, homeless youth at Shaw House (Bangor) \$10,892. In FY11 cuts total \$550,000 (for those marked E, no more funding in this account). Crossroads for Women (E) \$23,416, Maine Children's Trust (E) \$130,949 (MCT also receives OSR from tax checkoff of \$48,300/yr), Family Planning \$281,599, victim witness advocacy \$37,097 (E), domestic violence prevention \$42,129 (\$1.2million remains), homeless youth at Shaw House (E) (Bangor) \$34,000. Coalition against Sexual Assault, Maine Children's Trust and Family Planning testified against cut. | N   | (\$150,000) | (\$550,000) |
| 166    | 700        | Driver Education and Evaluation Program - Substance Abuse | F-A-1930     | Reduces funding from the Driver Education and Evaluation Programs.   | This initiative reduces the appropriation for DEEP. The DEEP account has been over appropriated. This reduction will not negatively impact the program.  | Substance Abuse | General Fund | 1                | 171 Info needed on history of balances and lapsing amounts.  | N. As result of streamlining bill, PL 462, account lacks sufficient funds for deappropriation | (\$250,000) | (\$250,000) |
| 167    | 844        | Office of Substance Abuse - Medicaid Seed                 | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. <b>CP 1 modifies initiative text.</b> | Substance Abuse | General Fund | 1                | 204 Eric Haram, LADC, Mid Coast Hospital opposed, citing FFP, failure to look for program efficiencies, sustainability and access to services. Info requested on causes and incidence of addiction and cost to addict and society. Bob Long, KV Behavioral Health, says strict limits adversely affect delivery of evidence-based care. Must balance benefits and costs to achieve effective outcomes. Tom Allan, MASAP and Milestone Foundation, says will cause elimination of 5 positions (and loss of 13 beds for men and women and slower access to detox services, or loss of 20 beds), lost 7 positions in 2009 due to limits on enrollment of noncats. Milestone suggests raising alcohol tax.   | N. 2/19.  | \$0         | (\$192,100) |
| 168    |            |   |              | Part UU  | Surviving spouse election and joint tenancy property real property considered an asset of the deceased. See items 127, 128, 134, 135.  |                 |              |                  |  | Y, 9-3, 2/19.   |             |             |
| 169    |            |   |              | Part VV  | Critical access hospital reimbursement reduced from 107% of cost to 101% of cost beginning 4/1/10. See items 96, 97, 98.   |                 |              |                  |  | See Item 96.  |             |             |

| Line # | Program Code | Initiative # | Initiative Text | Initiative Justification  | Secondary Class | Fund | Unit Number | HHS Notes | HHS Vote | FY 10 Total   | FY 11 Total |  |
|--------|--------------|--------------|-----------------|---|-----------------|------|-------------|-----------|----------|---|-------------|--|
| 170    |              | Part WW      |                 | Repeals requirement that DHHS set maximum child care rates beginning 7/1/11.  |                 |      |             |           | N, 8-2   |   |             |  |
| 171    |              | Part XX      |                 | Protects balances in TANF and ASPIRE from lapsing to GF, carry forward for same purposes.   |                 |      |             |           | Y        |   |             |  |
| 172    |              | Part YY      |                 | Reduces from 90 to 50% the GA reimbursement rate that applies to municipalities after they have spent .03% of state valuation on CS benefits. Repeals law allowing municipalities choice of how to report. Requires quarterly or semiannual reporting to DHHS. See copy of GA law. 22 section 4307, subsection 4 prohibits municipality from moving or transporting an applicant or recipient in order to avoid responsibility. If applicant or recipient requests relocation municipality may assist (providing financial assistance to relocate or making arrangements to locate) but is liable for first 30 days of benefits. See items 159, 160. Need information on savings from reducing reimbursement to high-paying municipalities. |                 |      |             |           |          | N. See Attachment D for different proposal voted by the HHS Committee. See items # 159, 160. Oppose Part KKK 2/19.            |             |  |
| 173    |              | Part ZZ      |                 | Renames MR-Community program to Developmental Services - Community program. Renames Medicaid Services - Mental Retardation program to Medicaid Services - Developmental Services program. Renames Mental Retardation Waiver - MaineCare program to Developmental Services Waiver - MaineCare program. Renames Mental Retardation Waiver - Supports program to Developmental Services Waiver - Supports program.   |                 |      |             |           |          | Y, amended. See Attachment E.   |             |  |
| 174    |              | Part AAA     |                 | Rebases hospital based year for purposes of hospital tax beginning 7/1/10 to hospital fiscal year that ended during calendar year 2008. (net gain to OSR estimated at \$10.7million per year beginning 7/1/11. See items 102, 103, 104.   |                 |      |             |           | Y, 8-6   |   |             |  |
| 175    |              | Part BBB     |                 | Transfers from GF for cost allocation settlement purposes by 6/30/10 the following amounts: to OIAS \$3,804, 824, to Family Independence Regional account \$1,569, 406 and to Administrative Hearings account \$439,694. See items 44 to 49.  |                 |      |             |           |          | Y   |             |  |
| 176    |              | Part M       |                 | Transfers by 6/30/10 \$3,925,515 (\$3,403,873 unexpended funds and \$521,642 projected revenue increase) from FHM to GF and by 6/30/10 \$222,282 (all projected revenue increase). See items 66 and 67.   |                 |      |             |           |          | 3-way spill vote, see Attachment B. As result of streamlining bill, PL 462, account lacks sufficient funds for this transfer. |             |  |

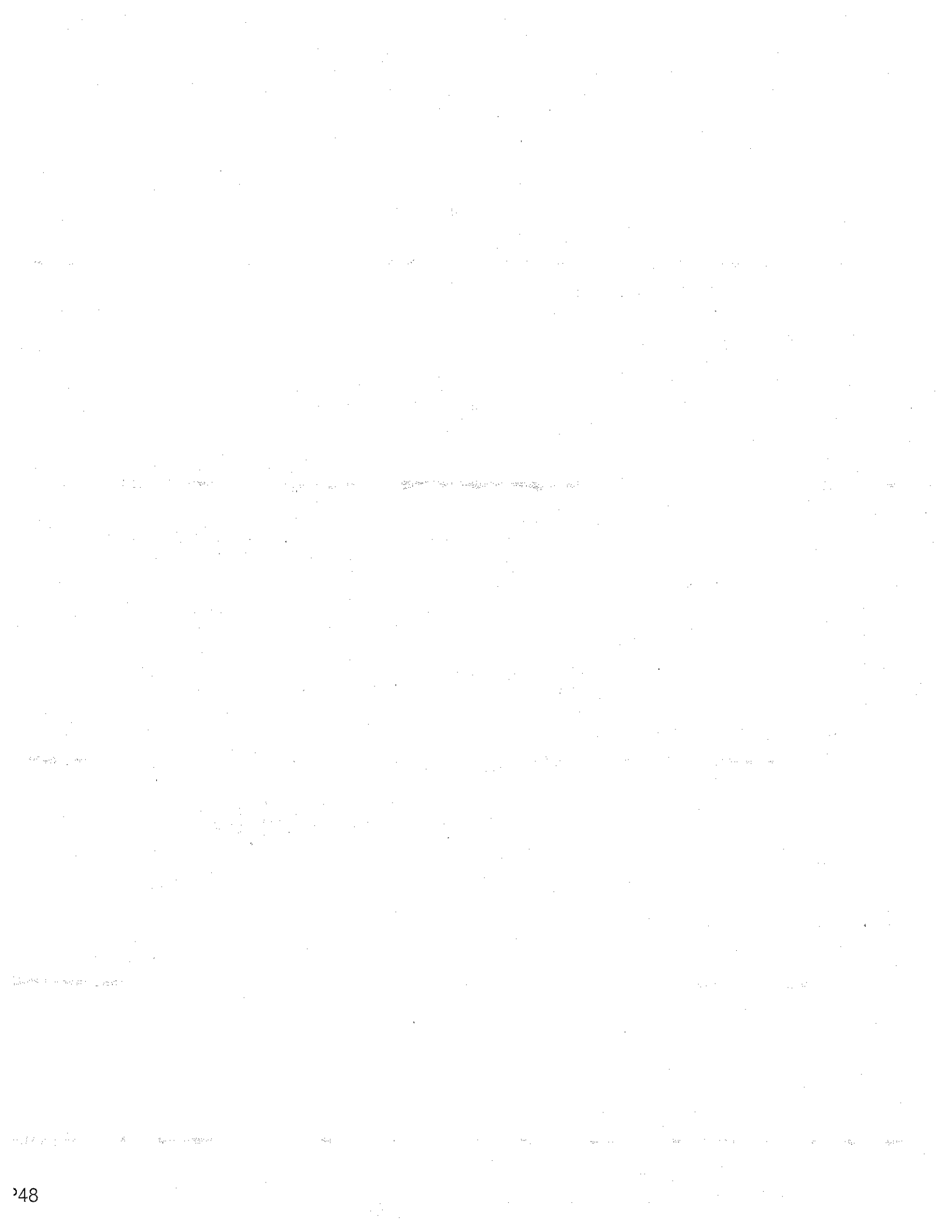


| Line # | Prog. Code | Program | Initiative # | Initiative Text | Initiative Justification  | Secondary Class | Fund | Unit | Line Number | HHS Notes | HHS Vote   | FY 10 Total | FY 11 Total |
|--------|------------|---------|--------------|-----------------|---|-----------------|------|------|-------------|-----------|--|-------------|-------------|
|        |            |         |              | Part KKK        | Extends time period for determination of disability for DHHS from 45 to 90 days.  |                 |      |      |             |           | N. 2/19. DHHS says KKK will be removed in next Change Package. |             |             |
|        |            |         |              | Part NNN        | Allows OMS All Other account in MaineCare to carry from FY10 to FY11.   |                 |      |      |             |           | Y. 2/19.   |             |             |
|        |            |         |              | Part OOO        | Authorizes DHHS to undertake emergency rule making re: budget initiatives as emergency rules.   |                 |      |      |             |           | Y. 2/19.   |             |             |
|        |            |         |              | Part PPP        | Repeals statutory provision that requires Legislature to approve changes in services covered by MaineCare and changes of greater than 10% in eligibility populations. |                 |      |      |             |           | Tabled 2/19.   |             |             |



**Attachment A – Votes as of February 19, 2010  
HHS Item 2, Mental Health Services – Community, Initiative F-A-7200,  
All items are General Fund funds, in adult mental health services, non-MaineCare**

| Service  | FY10        | FY11          | Description  | HHS Vote  |
|--|-------------|---------------|--|---|
| 1 Involuntary Hospitalization                        | (\$350,000) | (\$670,000)   | Supports payment at the MaineCare rate to hospitals for involuntarily hospitalized persons without a payor source  | Y, 11-3   |
| 2 Assertive Community Treatment (ACT)                | (\$146,000) | (\$585,000)   | Supports payments to agencies for ACT services at the MaineCare rate for persons who are not MaineCare members   | N, 13-1   |
| 3 Daily Living Supports Services (DLSS)              | (\$38,000)  | (\$152,000)   | Supports payments to agencies for DLS services at the MaineCare rate for persons who are not MaineCare members   | N, 10-4   |
| 4 Community Integration                              | (\$273,000) | (\$200,000)   | Provides financial assistance to agencies for services to those persons whose MaineCare coverage is repeatedly interrupted   | Y, 9-5  |
| 5 Specialized Direct Services                        | (\$70,000)  | (\$270,000)   | Provides additional revenue support to agencies for the overall provision of mental health outpatient services to persons in their homes   | N, 13-1   |
| 6 NAMI   | (\$55,000)  | (\$220,000)   | Provides NAMI with support for public education, family support and respite services.  | N, 9,<br>Y, 5 amended, FY10 (\$55,000) and FY11 (\$97,986), restoring \$122,014 in FY11 for family supports.            |
| 7 Advocacy   | (\$34,430)  | (\$137,723)   | Maine Center on Deafness FY10 (\$10,646), FY11 (\$42,585)<br>Maine Coalition Against Sexual Assault FY10 (\$23,784), FY11 (\$95,138)   | Y, 5 amended, FY10 (\$34,430) and FY11 (\$105,138), restoring \$32,585 to Maine Center on Deafness in FY11. Y, 1. N, 4. |
| 8 Outreach   | (\$18,000)  | (\$79,000)    | Funds outreach to persons not currently engaged in services through 2 community mental health agencies   | Y, 12-2   |
| 9 Court Master                                       | (\$125,000) |               | Reimburses the Court Master under the Bates Consent Decree for services  | Y   |
| 10 Warm Line   | (\$18,000)  | (\$72,000)    | Supports 2 localized warm lines operating in the Bangor area and Aroostook County  | Y   |
| 11 QIC   |             | (\$5,000)     | Funds support of the Riverview Quality Improvement Council   | Y   |
| 12 Professional Services                             | (\$55,684)  | (\$108,246)   | This is a one time contract to develop training for Emergency Departments as well as additional resources for other professional services  | Y   |
| 13 Portland Identification and Early Referral (PIER) | (\$8,750)   | (\$35,000)    | Outpatient, Professional Education and Public Education Services - Provides for a half time professional social worker and associated costs focused on young adults at risk                    | N, 8-6  |
| 14 MCD-CSSP  |             | (\$113,000)   | A yearly program at UMA for 12 consumers to receive their MHIRT professional certification.  | Y   |
| 15 Center for Learning/Muskie                        | (\$150,000) | (\$300,000)   | Funds a variety of projects including workforce certification, csn support, tuition and workshop reimbursement, fidelity reviews and research.   | Y   |
| 16 Mobile Crisis Services                            |             | (\$1,350,000) | In part supports 8 district mobile crisis programs. (See Item #17 also)  | N   |
| 17 Transportation                                    |             | (\$282,500)   | Provides subsidy for transportation providers to transport persons with severe and persistent mental illness to non medical destinations and for non-MaineCare members to medical destinations | N, 9-5  |





**Attachment B**  
**Health and Human Services Committee Report on LD 1671**

**Items 66, 67 and Language Part M**

The Health and Human Services Committee voted a 3-way split vote on Items 66 and 67 and Language Part M regarding the Fund for a Healthy Maine (FHM). Item 66 and 67 and Part M transfer \$3,925,515 in FY10 and \$222,282 in FY11 from the FHM to General Fund unappropriated surplus.

**FHM Status**

The HHS Committee learned from the Office of Fiscal and Program Review that revenue forecasting rejections, the streamlining bill, PL 462, and the provisions of LD 1671 combine to leave the FHM in a deficit position at the end of FY11 in the amount of \$1,330,702. See Fund for a Healthy Maine Status report dated January 5, 2010.

**Split voting**

Following are the votes on Items 66 and 67 and Language Part M:

- 10 members supported the transfers from the FHM provided the amounts were decreased to amounts that avoid placing the FHM in a deficit position.
- 2 members supported the transfers as proposed in LD 1671.
- 2 members opposed the transfers.

**FUND FOR A HEALTHY MAINE (FHM) STATUS**  
 Governor's Proposed 2010-2011 Supplemental Budget (LD 1671)<sup>1</sup>

|   | FY 10                | FY 11                |
|---|----------------------|----------------------|
| <b>FHM RESOURCES:</b>   |                      |                      |
| <b>Revenue</b>  |                      |                      |
| December 2008 Base Revenue Estimate                               | \$63,760,785         | \$64,478,815         |
| May 2009 Revenue Forecast   | (\$4,106,734)        | (\$7,384,811)        |
| December 2009 Revenue Forecast                                    | \$521,643            | \$222,282            |
| PL 2009, c. 462, Pt. H, Streamlining Initiative                   | (\$776,923)          | (\$882,971)          |
| <b>Subtotal - Revenue</b>   | <b>\$59,398,771</b>  | <b>\$56,433,315</b>  |
| <b>Total FHM Resources</b>  | <b>\$59,398,771</b>  | <b>\$56,433,315</b>  |
| <b>FHM ALLOCATIONS AND OTHER USES:<sup>2</sup></b>                |                      |                      |
| <b>Transfers</b>  |                      |                      |
| Governor's Proposed Supplemental (LD 1671), Part M                | \$3,925,515          | \$222,282            |
| <b>Subtotal - Transfers</b>                                       | <b>\$3,925,515</b>   | <b>\$222,282</b>     |
| <b>Allocations</b>  |                      |                      |
| Governor's Proposed Baseline Budget                               | \$69,006,136         | \$69,014,916         |
| 2010-2011 Biennial Budget (LD 353, PL 2009, c. 213) - Adjustments | (\$6,267,094)        | (\$8,235,646)        |
| PL 2009, c. 462, Pt. A, Streamlining Initiative                   | \$0                  | \$110,092            |
| Governor's Proposed Supplemental (LD 1671), Part A                | \$1,676,780          | (\$444,627)          |
| <b>Subtotal - Allocations</b>                                     | <b>\$64,415,822</b>  | <b>\$60,444,735</b>  |
| <b>Total Allocations and Other Uses</b>                           | <b>\$68,341,337</b>  | <b>\$60,667,017</b>  |
| <b>Net Change (Resources minus Allocations and Other Uses)</b>    | <b>(\$8,942,566)</b> | <b>(\$4,233,702)</b> |
| <b>BEGINNING BALANCE</b>  | <b>\$11,845,686</b>  | <b>\$2,903,120</b>   |
| <b>NET CHANGE (FROM ABOVE)</b>                                    | <b>(\$8,942,566)</b> | <b>(\$4,233,702)</b> |
| <b>ENDING BALANCE</b>   | <b>\$2,903,120</b>   | <b>(\$1,330,582)</b> |

**Major Changes Proposed in Governor's 2010-2011 Supplemental Budget:**

|  | FY 10       | FY 11       |
|--|-------------|-------------|
| > Transfers Fund for a Healthy Maine balance to General Fund unappropriated surplus in FY 10 and FY 11.  | \$3,925,515 | \$222,282   |
| > Provides funding to the Fire Marshall for inspections of facilities licensed by the Department of Health and Human Services.   | \$1,140,780 | \$0         |
| > Provides funding to offset the deallocation made in PL 2009, c. 213, Part UUUU.  | \$536,000   | \$0         |
| > Transfers 4 Community Care Worker positions and one Social Services Program Specialist II position from the FHM - Service Center program to the Division of Licensing and Regulatory Services program. | \$0         | (\$412,346) |
| > Reduces funding by paying the last MaineCare cycle payment of FY 11 in FY 12.  | \$0         | (\$32,250)  |

**NOTES:**

<sup>1</sup> Reflects all budgeted revenue and allocations through the close of the 1st Regular Session of the 124th Legislature, revenue variances and accounting adjustments at the close of FY 09, December 2009 RFC adjustments, PL 2009, c. 462 Streamlining Initiatives (LD 1668), and proposals included in the Governor's Proposed 2010-2011 Supplemental Budget (LD 1671).

<sup>2</sup> For the purposes of this summary, transfers out are treated as an expenditure/use and are positive amounts, while transfers in are negative amounts. There were no transfers authorized through the 124th Legislature, 1st Regular Session.

**FUND FOR A HEALTHY MAINE (FHM) STATUS**  
 Reflects All Actions through the December 2009 Revenue Forecast <sup>1</sup>

|   | FY 10                | FY 11                |
|---|----------------------|----------------------|
| <b><u>FHM RESOURCES:</u></b>                                      |                      |                      |
| <b><u>Revenue</u></b>   |                      |                      |
| December 2008 Base Revenue Estimate                               | \$63,760,785         | \$64,478,815         |
| May 2009 Revenue Forecast   | (\$4,106,734)        | (\$7,384,811)        |
| December 2009 Revenue Forecast                                    | \$521,643            | \$222,282            |
| <b>Subtotal - Revenue</b>   | <b>\$60,175,694</b>  | <b>\$57,316,286</b>  |
| <b>Total FHM Resources</b>  | <b>\$60,175,694</b>  | <b>\$57,316,286</b>  |
| <b><u>FHM ALLOCATIONS AND OTHER USES:</u> <sup>2</sup></b>        |                      |                      |
| <b><u>Allocations</u></b>   |                      |                      |
| Governor's Proposed Baseline Budget                               | \$69,006,136         | \$69,014,916         |
| 2010-2011 Biennial Budget (LD 353, PL 2009, c. 213) - Adjustments | (\$6,267,094)        | (\$8,235,646)        |
| <b>Subtotal - Allocations</b>                                     | <b>\$62,739,042</b>  | <b>\$60,779,270</b>  |
| <b>Total Allocations and Other Uses</b>                           | <b>\$62,739,042</b>  | <b>\$60,779,270</b>  |
| <b>Net Change (Resources minus Allocations and Other Uses)</b>    | <b>(\$2,563,348)</b> | <b>(\$3,462,984)</b> |
| <b>BEGINNING BALANCE</b>  | <b>\$11,845,686</b>  | <b>\$9,282,338</b>   |
| <b>NET CHANGE (FROM ABOVE)</b>                                    | <b>(\$2,563,348)</b> | <b>(\$3,462,984)</b> |
| <b>ENDING BALANCE</b>   | <b>\$9,282,338</b>   | <b>\$5,819,354</b>   |

NOTES:

<sup>1</sup> Reflects all budgeted revenue and allocations through the close of the 1st Regular Session of the 124th Legislature, revenue variances and accounting adjustments at the close of FY 09, and December 2009 RFC adjustments.

<sup>2</sup> For the purposes of this summary, transfers out are treated as an expenditure/use and are positive amounts, while transfers in are negative amounts. There were no transfers authorized through the 124th Legislature, 1st Regular Session.

**FUND FOR A HEALTHY MAINE (FHM) STATUS**

Reflects All Actions through the December 2009 Revenue Forecast with proposed Streamlining Initiatives (LD 1668)<sup>1</sup>

|   | FY 10                | FY 11                |
|---|----------------------|----------------------|
| <b><u>FHM RESOURCES:</u></b>                                      |                      |                      |
| <b><u>Revenue</u></b>   |                      |                      |
| December 2008 Base Revenue Estimate                               | \$63,760,785         | \$64,478,815         |
| May 2009 Revenue Forecast   | (\$4,106,734)        | (\$7,384,811)        |
| December 2009 Revenue Forecast                                    | \$521,643            | \$222,282            |
| Proposed Streamlining Initiatives (LD 1668), Part H               | (\$776,923)          | (\$882,971)          |
| <b>Subtotal - Revenue</b>   | <b>\$59,398,771</b>  | <b>\$56,433,315</b>  |
| <b>Total FHM Resources</b>  | <b>\$59,398,771</b>  | <b>\$56,433,315</b>  |
| <b><u>FHM ALLOCATIONS AND OTHER USES:<sup>2</sup></u></b>         |                      |                      |
| <b><u>Allocations</u></b>   |                      |                      |
| Governor's Proposed Baseline Budget                               | \$69,006,136         | \$69,014,916         |
| 2010-2011 Biennial Budget (LD 353, PL 2009, c. 213) - Adjustments | (\$6,267,094)        | (\$8,235,646)        |
| Proposed Streamlining Initiatives (LD 1668), Part A               | \$0                  | \$110,092            |
| <b>Subtotal - Allocations</b>                                     | <b>\$62,739,042</b>  | <b>\$60,889,362</b>  |
| <b>Total Allocations and Other Uses</b>                           | <b>\$62,739,042</b>  | <b>\$60,889,362</b>  |
| <b>Net Change (Resources minus Allocations and Other Uses)</b>    | <b>(\$3,340,271)</b> | <b>(\$4,456,047)</b> |
| <b>BEGINNING BALANCE</b>  | <b>\$11,845,686</b>  | <b>\$8,505,415</b>   |
| <b>NET CHANGE (FROM ABOVE)</b>                                    | <b>(\$3,340,271)</b> | <b>(\$4,456,047)</b> |
| <b>ENDING BALANCE</b>   | <b>\$8,505,415</b>   | <b>\$4,049,368</b>   |

**NOTES:**

<sup>1</sup> Reflects all budgeted revenue and allocations through the close of the 1st Regular Session of the 124th Legislature, revenue variances and accounting adjustments at the close of FY 09, December 2009 RFC adjustments, and proposed Streamlining Initiatives (LD 1668), Part H.

<sup>2</sup> For the purposes of this summary, transfers out are treated as an expenditure/use and are positive amounts, while transfers in are negative amounts. There were no transfers authorized through the 124th Legislature, 1st Regular Session.



**FUND FOR A HEALTHY MAINE (FHM) STATUS**  
 Governor's Proposed 2010-2011 Supplemental Budget (LD 1671) <sup>1</sup>

|   | FY 10                | FY 11                |
|---|----------------------|----------------------|
| <b><u>FHM RESOURCES:</u></b>                                      |                      |                      |
| <b><u>Revenue</u></b>   |                      |                      |
| December 2008 Base Revenue Estimate                               | \$63,760,785         | \$64,478,815         |
| May 2009 Revenue Forecast   | (\$4,106,734)        | (\$7,384,811)        |
| December 2009 Revenue Forecast                                    | \$521,643            | \$222,282            |
| <b>Subtotal - Revenue</b>   | <b>\$60,175,694</b>  | <b>\$57,316,286</b>  |
| <b>Total FHM Resources</b>  | <b>\$60,175,694</b>  | <b>\$57,316,286</b>  |
| <b><u>FHM ALLOCATIONS AND OTHER USES:</u> <sup>2</sup></b>        |                      |                      |
| <b><u>Transfers</u></b>   |                      |                      |
| Governor's Proposed Supplemental (LD 1671), Part M                | \$3,925,515          | \$222,282            |
| <b>Subtotal - Transfers</b>                                       | <b>\$3,925,515</b>   | <b>\$222,282</b>     |
| <b><u>Allocations</u></b>   |                      |                      |
| Governor's Proposed Baseline Budget                               | \$69,006,136         | \$69,014,916         |
| 2010-2011 Biennial Budget (LD 353, PL 2009, c. 213) - Adjustments | (\$6,267,094)        | (\$8,235,646)        |
| Governor's Proposed Supplemental (LD 1671), Part A                | \$1,676,780          | (\$444,627)          |
| <b>Subtotal - Allocations</b>                                     | <b>\$64,415,822</b>  | <b>\$60,334,643</b>  |
| <b>Total Allocations and Other Uses</b>                           | <b>\$68,341,337</b>  | <b>\$60,556,925</b>  |
| <b>Net Change (Resources minus Allocations and Other Uses)</b>    | <b>(\$8,165,643)</b> | <b>(\$3,240,639)</b> |
| <b>BEGINNING BALANCE</b>  | <b>\$11,845,686</b>  | <b>\$3,680,043</b>   |
| <b>NET CHANGE (FROM ABOVE)</b>                                    | <b>(\$8,165,643)</b> | <b>(\$3,240,639)</b> |
| <b>ENDING BALANCE</b>   | <b>\$3,680,043</b>   | <b>\$439,404</b>     |

**NOTES:**

<sup>1</sup> Reflects all budgeted revenue and allocations through the close of the 1st Regular Session of the 124th Legislature, revenue variances and accounting adjustments at the close of FY 09, December 2009 RFC adjustments, and proposals included in the Governor's Proposed 2010-2011 Supplemental Budget (LD 1671).

<sup>2</sup> For the purposes of this summary, transfers out are treated as an expenditure/use and are positive amounts, while transfers in are negative amounts. There were no transfers authorized through the 124th Legislature, 1st Regular Session.

**FUND FOR A HEALTHY MAINE (FHM) STATUS**

Governor's Proposed 2010-2011 Supplemental Budget (LD 1671) with Streamlining Initiatives (LD 1668) <sup>1</sup>

|   | FY 10                | FY 11                |
|---|----------------------|----------------------|
| <b><u>FHM RESOURCES:</u></b>                                      |                      |                      |
| <b><u>Revenue</u></b>   |                      |                      |
| December 2008 Base Revenue Estimate                               | \$63,760,785         | \$64,478,815         |
| May 2009 Revenue Forecast   | (\$4,106,734)        | (\$7,384,811)        |
| December 2009 Revenue Forecast                                    | \$521,643            | \$222,282            |
| Proposed Streamlining Initiatives (LD 1668), Part H               | (\$776,923)          | (\$882,971)          |
| <b>Subtotal - Revenue</b>   | <b>\$59,398,771</b>  | <b>\$56,433,315</b>  |
| <b>Total FHM Resources</b>  | <b>\$59,398,771</b>  | <b>\$56,433,315</b>  |
| <b><u>FHM ALLOCATIONS AND OTHER USES: <sup>2</sup></u></b>        |                      |                      |
| <b><u>Transfers</u></b>   |                      |                      |
| Governor's Proposed Supplemental (LD 1671), Part M                | \$3,925,515          | \$222,282            |
| <b>Subtotal - Transfers</b>                                       | <b>\$3,925,515</b>   | <b>\$222,282</b>     |
| <b><u>Allocations</u></b>   |                      |                      |
| Governor's Proposed Baseline Budget                               | \$69,006,136         | \$69,014,916         |
| 2010-2011 Biennial Budget (LD 353, PL 2009, c. 213) - Adjustments | (\$6,267,094)        | (\$8,235,646)        |
| Governor's Proposed Supplemental (LD 1671), Part A                | \$1,676,780          | (\$444,627)          |
| Proposed Streamlining Initiatives (LD 1668), Part A               | \$0                  | \$110,092            |
| <b>Subtotal - Allocations</b>                                     | <b>\$64,415,822</b>  | <b>\$60,444,735</b>  |
| <b>Total Allocations and Other Uses</b>                           | <b>\$68,341,337</b>  | <b>\$60,667,017</b>  |
| <b>Net Change (Resources minus Allocations and Other Uses)</b>    | <b>(\$8,942,566)</b> | <b>(\$4,233,702)</b> |
| <b>BEGINNING BALANCE</b>  | <b>\$11,845,686</b>  | <b>\$2,903,120</b>   |
| <b>NET CHANGE (FROM ABOVE)</b>                                    | <b>(\$8,942,566)</b> | <b>(\$4,233,702)</b> |
| <b>ENDING BALANCE</b>   | <b>\$2,903,120</b>   | <b>(\$1,330,582)</b> |

**NOTES:**

<sup>1</sup> Reflects all budgeted revenue and allocations through the close of the 1st Regular Session of the 124th Legislature, revenue variances and accounting adjustments at the close of FY 09, December 2009 RFC adjustments, and proposals included in the Governor's Proposed 2010-2011 Supplemental Budget (LD 1671) with Streamlining Initiatives (LD 1668), Part H.

<sup>2</sup> For the purposes of this summary, transfers out are treated as an expenditure/use and are positive amounts, while transfers in are negative amounts. There were no transfers authorized through the 124th Legislature, 1st Regular Session.

**Attachment C**  
**Health and Human Services Committee Report on LD 1671**

**Item 161**

Regarding Item #161, savings through the administrative consolidation of the LIHEAP program, the HHS Committee voted in favor of this initiative and the GF savings of \$500,000 in FY11. The HHS Committee recommends an amendment to complete this initiative.

**Amendment needed**

To achieve the \$500,000 in savings for DHHS an amendment is needed to transfer to the DHHS, Office of Integrated Access and Support-Central Office from the Maine State Housing Authority \$500,000 in Other Special Revenue funds in FY11.





**Attachment D**  
**Health and Human Services Committee Report on LD 1671**

**Item 159, 160 and Language Part YY**

The HHS Committee voted to support Items 159 and 160 as amended, to oppose Language Part YY and to support a new initiative that provides funding required for the General Assistance program for FY11.

**General Assistance account need**

The HHS Committee has learned that the General Assistance account is in need of the \$880,000 in funds proposed in LD 1671 in Item #159 and an additional \$1,454,696 in FY11 that is not included in LD 1671.

**State Supplement to Federal Supplemental Security Income account**

When PL 462 and LD 1671 are combined there are not sufficient funds to accomplish the FY10 transfer from the State Supplement to Federal Supplemental Security Income account to the General Assistance account, as proposed in LD 1671. There are sufficient funds in the account in FY11 to allow the deappropriation of \$380,000 to be used for General Assistance purposes. The HHS Committee recommends an amendment to accomplish this fund transfer.

**New initiative on disability determination**

The HHS Committee recommends an initiative that adds 6 limited-time positions, expedites determinations of disability and avoids costs to DHHS from delays beyond the period allowed by law. This initiative avoids the need for a decrease in General Assistance funding to the municipalities and provides funding for the General Assistance account for FY11. The HHS Committee recommends an amendment to add 6 limited-period staff in DHHS. With the work of this new staff, DHHS will be able to reduce the time period for determination of disability by an average of 15 days and decrease payments for benefits with State funds.

**New initiative financial impact**

- DHHS calculates the annual amount saved to the General Fund from more closely complying with the time period required by law to be \$5,400,000.
- The cost of the staff, calculated at 50% General Fund funds and 50% federal funds, will be \$277,200 GF in FY11.
- Decreasing the savings to account for some delays in hiring and starting up, DHHS estimates the net GF savings in FY11 at \$2,550,000.
- From the net savings of \$2,550,000 the HHS Committee recommends appropriating \$277,200 for 6 new limited-period staff and \$1,074,696 to the General Assistance account.



**Attachment E**  
**Health and Human Services Committee Report on LD 1671**

**Language Part ZZ**

The HHS Committee voted in favor of Language Part ZZ provided it is amended to clarify the intent and operation of Part ZZ. Part ZZ renames 4 programs in DHHS, changing the terms “Mental Retardation” and “Mental Retardation Services” to the term “Developmental Services.” On the advice of Attorney General Janet Mills, the HHS Committee voted to add to Part ZZ a new section to read:

**Sec. ZZ-5. Intent; effect.** The substitution of the words “Developmental Services” for the words “Mental Retardation” and “Mental Retardation Services” under the provisions of this Part is not intended to and does not change the eligibility requirements for services or benefits or result in an expansion of services or benefits provided by the Department of Health and Human Services.

**SUMMARY**

This amendment makes clear that the substitution of the words “Developmental Services” for the words “Mental Retardation” and “Mental Retardation Services” is not intended to and does not change the eligibility requirements for services or benefits or result in an expansion of services or benefits provided by the Department of Health and Human Services. The new wording does not change the persons for whom services or benefits will be offered or the services or benefits themselves.

## Attachment F

### Item 56, Elderly Low-Cost Drug Program co-pays General Fund reduction in FY11 \$1,800,000

#### 1. Co-payments to be made by Medicare Savings Plan members in the DEL Program (100-185% federal poverty level)

|   | Generic | Brand Name |
|---|---------|------------|
| Current DEL program   | \$0     | \$3.15     |
| Original DEL proposal LD 1671   | \$2.50  | \$6.30     |
| Revised DEL proposal—Establish co-pays of \$2.50 for generics and \$3.80 for brand name drugs, with an annual cap of \$200 per person. (It is estimated 2,280 members will reach the cap annually). | \$2.50  | \$3.80     |

**Savings \$1,300,000**

#### 2. Proposals to mitigate impact on members at no cost

- Encourage the use of mail order pharmacy. Medicare Part D members receive 3-month prescriptions for medication for chronic conditions with one co-pay.
- Establish a \$200,000 safety net override fund for undue hardship situations.

#### 3. Additional savings

- Expansion of Medicare Savings Plan program has reduced DEL spending on Medicare Part D plan premiums.

**Savings \$500,000**

---

**Total savings \$1,800,000**



## PART UU

Sec. UU-1. 18-A MRSA §2-203, as enacted by PL 1979, c. 540, §1, is amended to read:

§2-203. Right of election personal to surviving spouse

The right of election of the surviving spouse may be exercised only ~~during his lifetime by him~~ by the surviving spouse while the surviving spouse is alive. ~~In the case of a protected person, the right of election may be exercised only by order of the court in which protective proceedings as to his property are pending.~~ If the surviving spouse is a protected person, the surviving spouse's right of election may be exercised only by order of the court in which protective proceedings for the surviving spouse are pending; after a finding that exercise is necessary to provide adequate support for the protected person during his the probable life expectancy of the protected person. The protected person's need for support is not diminished by any present or future eligibility for public assistance.

Sec. UU-2. 22 MRSA §14, sub-§2-I, as amended by PL 2009, c. 150, §3, is further amended to read:

2-I. Claims against estates of MaineCare recipients. Claims against the estates of MaineCare recipients are governed by this subsection.

- A. The department has a claim against the estate of a MaineCare recipient when, after the death of the recipient:
- (1) Property or other assets are discovered that existed and were owned by the recipient during the period when MaineCare benefits were paid for the recipient and disclosure of the property or assets at the time benefits were being paid would have rendered the recipient ineligible to receive the benefits;
  - (2) It is determined that the recipient was 55 years of age or older when that person received MaineCare assistance; or
  - (3) It is determined that the recipient has received or is entitled to receive benefits under a long-term care insurance policy in connection with which assets or resources are disregarded and medical assistance was paid on behalf of the recipient for nursing facility or other long-term care services.
- B. The amount of MaineCare benefits paid and recoverable under this subsection is a claim against the estate of the deceased recipient.
- (1) As to assets of the recipient included in the probated estate, this claim may be enforced pursuant to Title 18-A, Article 3, Part 8.
  - (2) As to assets of the recipient not included in the probated estate, ~~this claim may be enforced by filing a~~ the department may enforce its claim in any court of competent jurisdiction. In any such proceeding, it shall be the burden of a competing claimant to prove the extent to which the decedent's interest is less than 100%.
- C. Except for a claim collected through a voluntary payment arrangement under paragraph C-2, a claim may not be made under paragraph A, subparagraph (2) or (3) until:
- (1) The recipient has no surviving spouse; and
  - (2) The recipient has no surviving child who is under age 21 or who is blind or permanently and totally disabled as defined in 42 United States Code, Section 1382c.
- C-1.
- C-2. The department shall provide heirs, assignees or transferees of a deceased recipient an opportunity to pay a claim under this subsection through a voluntary payment arrangement that is acceptable to the department. The payment arrangement may consist of a payment plan, promissory note or other payment mechanism.
- D. Paragraph A, subparagraphs (2) and (3) apply only to a recipient who died on or after October 1, 1993 for MaineCare payments made on or after October 1, 1993.
- E. A claim under paragraph A, subparagraph (2) must be waived if enforcement of the claim would create an undue hardship to other dependent people under criteria developed by the department or if the costs of collection are likely to exceed the amount recovered. A waiver may be granted in full or in part. A waiver may not be

granted if the recipient or waiver applicant acted to lose, diminish, divest, encumber or otherwise transfer any value of or title to an asset for the purpose of preventing recovery under this subsection.

F. As used in this subsection, unless the context otherwise indicates, the term "estate" means:

(1) All real and personal property and other assets included in the recipient's estate, as defined in Title 18-A, section 1-201; and

(2) Any other real and personal property and other assets in which the recipient had any legal interest at the time of death, to the extent of that interest, including assets ~~conveyed to~~ received by a survivor, heir or assign of the deceased recipient ~~through tenancy in common, under a joint tenancy, a right of survivorship, a life estate, a living trust, joint tenancy in personal property or other similar instrument.~~ arrangement with similar effect.

The deceased recipient's interest in a joint tenancy is the value the decedent could have recognized before death or a proportionate interest in the asset based on the decedent's relative contribution toward creation of the asset held in joint tenancy, whichever is greater.

The deceased recipient's proportionate interest in an asset subject to a life estate, a living trust, or other similar instrument is the proportion the decedent could have recognized before creation of the instrument or the decedent's relative contribution toward acquiring the asset, whichever is greater.

A claim by the department to an interest in real estate under this sub-paragraph is extinguished unless notice is filed in the Registry of Deeds either before death or within 30 days after death.

G. The department may accept, hold, transfer title to and sell real property to collect a claim under this subsection. The department may receive title to real property from a personal representative, special or public administrator, creditor, heir, devisee, assignee or transferee in full or partial satisfaction of a claim under this subsection.

## Attachment H

MR/DD items in budget – Summary of further work done since 2/12/10 report to Appropriations

The Dept. of HHS and providers have met a number of times since our last report and work is still ongoing. Reps. Stuckey and Sanborn have met with, emailed and/or had phone conversations with MACSPE, Living Innovations, BFLI (Joe Kuhn) and Jody from the Disability Rights Center (who also met with the Dept.)

The bottom line is that we have not changed our recommendations in regards to the cuts.

In regards to the SLO's and group homes, we have learned:

- These homes generally provide a very good service, although there is some variation. There exists a wide range of quality for the same service/payment. The needs of persons living in these homes also varies significantly.
- ALL stakeholders agree that SLO's need standards to be set and clarify what it is that providers do. Standards do not exist at this time.
- SLO's need to be redesigned with all stakeholders at the table to accomplish this goal (including DHHS, oversight agencies, host homes, the Disability Rights Center and consumers). Although this cannot be done in time for this budget, we would assume there would be further savings if and when the redesign is accomplished.
- No one seems to think the original proposal in the budget – hiring 6 new state employees to take over the role of the oversight agencies – to be a good idea.
- SLO contractors should become independent MaineCare providers. This would help settle issues with the Dept. of Labor, reduce conflict and clarify roles.
- Consumers should be in a position of choosing the agency to provide services. Having DHHS doing the recruitment may provide more consistency.
- There should exist some economy of scale – organizations/agencies overseeing a large number of SLO homes may need a lower payment per consumer than those overseeing a small number of homes. There should be some savings in administrative costs, bulk buying and the like, with the larger agencies. Or a larger agency may withstand a cut of a larger percent, say 30%, while a smaller one is cut only 20%.
- A tiered system of payment should be considered to account for the variation in needs of consumers. Although all consumers that qualify for care need fairly constant supervision, some need much more intense care than others.
- For the group homes with folks with high needs, we need some form of payment reform. Currently staffing hours dictate the amount of reimbursement, and just as fee-for-service payments to doctors and hospitals encourages more use of services, this promotes more intensive staffing patterns. If the cost/reimbursement of each residence was set at the medium for staffing patterns for each facility, than each facility could cut costs by

improving efficiencies as they see fit. The savings should not penalize facilities that become more efficient and savings could be used to improve benefits for employees.

- LIHEAP has been looked into and would not be available to subsidize these homes.

In summary:

Item 29 – cut rejected for room and board subsidies.

Item 33 - reduced cut of \$852,551 accepted. More might be trimmed in with a redesign of SLO's in coming months.

Item 34 – reject 6 new state employees

Item 38 – Reduce the rate for direct support services in excess of 168 hours/week by \$3.05/hour (instead of \$8.23 proposed) saving \$261,875 – reduced cut accepted.

Item 40 – In the change package, wording changed to reduce the rate of reimbursement in ICR/MR – cut rejected.

JOSEPH C. BRANNIGAN, District 9, Chair  
 LISA T. MARRACHÉ, District 25  
 PETER MILLS, District 26

JANE ORBETON, Legislative Analyst  
 ELIZABETH COOPER, Legislative Analyst  
 JAN CLARK, Committee Clerk



ANNE C. PERRY, Calais, Chair  
 PATRICIA JONES, Mount Vernon  
 MARK EVES, North Berwick  
 MATTHEW J. PETERSON, Rumford  
 LINDA F. SANBORN, Gorham  
 PETER C. STUCKEY, Portland  
 HENRY L. JOY, Crystal  
 SARAH O. LEWIN, Eliot  
 JAMES J. CAMPBELL, SR., Newfield  
 MEREDITH N. STRANG BURGESS, Cumberland  
 DONALD G. SOCTOMAH, Passamaquoddy Tribe

State of Maine  
 ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE  
 COMMITTEE ON HEALTH AND HUMAN SERVICES

MEMORANDUM

To: Senator G. William Diamond, Senate Chair  
 Representative Emily Ann Cain, House Chair  
 Joint Standing Committee on Appropriations and Financial Affairs

From: Anne C. Perry, House Chair  
 Joint Standing Committee on Health and Human Services

Date: February 24, 2010

Re: LD 1671 Hospital Reimbursement and Tax and Match Issues

Thank you for providing me the opportunity to submit a written report on the Health and Human Services Committee work on hospital reimbursement and tax and match issues in LD 1671. I regret that I am not able to be present for the meeting.

**Hospital cuts:** A subcommittee of members of the HHS and Appropriations Committees has been and is working with Tony Marple of HHS and Mary Mayhew regarding the hospital cuts. Although no conclusion has been reached at this time there are some very promising ideas for moving forward. Included in these discussions is the move to Section 65 reimbursement for out-patient mental health services. We recommend these discussions. In recognition of the need for the subcommittee to continue its work and without specific language on the savings initiatives, the committee vote was divided on booking the savings in hospital reimbursement.

**Tax and Match:** There is no agreement on the tax and match proposal. We consider this issue to be connected to the vote against the 10% across the board cuts in MaineCare reimbursement.



MACSP Proposals

| Proposal  | Discussion  | Actions To be Taken | Department's Position |
|---|---|---------------------|-----------------------|
| <p>1. We are urging all of our constituents to join our colleagues in the 40+ states across the country to urge Congress to extend the fiscal support to MaineCare (Medicaid) through the ARRA.</p>   |   |                     |                       |
| <p>2. We recommend extending the service provider tax mechanism to case management services for adults served through Developmental Services. We project that this action would bring a net increase to the General Fund of nearly \$900,000 at the current rates for public and private case management systems. The net savings would fall to about \$800,000 if the 10% MaineCare cut extends to this service.</p> | <p>Commissioner's Office is working on this initiative.</p> |                     |                       |
| <p>3. We recommend that the Department, in concert with the Committees, review all case management for all populations to see if any of these populations are funded entirely through MaineCare in order to determine the appropriateness of extending the tax to other populations as well.</p>  | <p>Commissioner's Office is working on this initiative</p>  |                     |                       |

**FLEXIBILITY IN ADMINISTRATION OF THE WAITING LIST IN ORDER TO MAXIMIZE THE NUMBER OF PEOPLE ABLE TO RECEIVE SERVICES WITHOUT INCREASING COST AND, AT THE SAME TIME, UTILIZE EXISTING CAPACITY TO ITS FULLEST:** The Comprehensive Waiver has been closed since October, 2008. The waiting list grows daily, despite the fact that individuals leave the program regularly, usually as the result of death. If the person who leaves the program, for example, lived in central Maine with three other people and all four required intensive medical supports, the three who remain in that home will continue to need the staffing in place and, at the same time, will lose the 25% of the room and board subsidy the departing person contributed to the overall operation of the house. The result is that the three remaining people's housing and services are threatened. The current administration of the waiting list is on a first come, first served basis - ie - the number one person on the list is the person who applied for admission to the program first. Under the current method, if the person who is first on the list lives in southern Maine and has intensive behavioral support needs, the vacancy that was created in the example above is not appropriate. Number 40 on the waiting list, however, might be well served in the vacancy. Since all of the people who are on the waiting list are classified as being in need of adult protective services, we would like to work with the Department to develop ways to relieve some of the pressure on the waiting list by identifying the people who could be well served in vacancies without increasing overall costs to the program. We are aware that this approach means that many people will continue to be in jeopardy, but at least some people will be served who are not being served. We believe that this is a better alternative to total closure of the program.

We received a document from MACSP on 1/22 (confirm date) that had a process for taking people off the waiting list and filling vacancies. We discussed the document on 1/22 and followed up in continuing discussions on 1/28.

The Department is bound by rules that govern Section 21. Although Providers are looking for more flexibility the Dept. has been advised by the AGs office that procedure for wait list management must be clear and defensible, not arbitrary.

|   |   |  |  |
|---|---|--|--|
| <p><b>SERVICE MODIFICATIONS:</b> We have consistently called for the blending of work and community support hours and staffing requirements. We understand that work supports are more expensive and may have a cap of fewer hours than community supports, but individuals may now choose to have all community supports. They should also be able to choose ALL work supports. We have numerous examples that the current caps have forced individuals to reduce their work hours due to lack of support because of the capped hours requirement. This proposal is revenue neutral to the state budget but would result in more income for individuals served by the waivers.</p> | <p>On the 1/22 phone call we expressed willingness to work with MACSP on this and are currently engaged in e-mail discussion with MACSP Sub Work Group. David Goddu has sent the Department an example of how this might work within current allocation of funding and MACSP work group have responded with an alternate suggestion for consideration. We have offered to meet in person but MACSP Sub Work Group has not accepted this offer as yet...</p>                 | <p>Since this is not a budget savings initiative, the parties have time to work out details for the next waiver application.</p>                   | <p>The Dept. is committed to this revision within CMS guidelines and current available funds.</p>  |
| <p><b>LESSEN ADMINISTRATIVE BURDENS IN ORDER TO MINIMIZE THE IMPACT OF CUTS ON DIRECT SERVICES:</b><br/>We recognize that further cuts are inevitable. Historically, providers have been able to minimize the impact of cuts on people served because we had flexibility under the rules and requirements of the program that no longer exists under current requirements. We are anxious to work with the Department to determine how we can regain as much flexibility as possible while remaining in compliance with federal requirements. Below are areas where we believe that more flexibility could minimize the impact on direct services to the people we support:</p>     | <p>Have had initial discussion with MaineCare; they have even confirmed that for one specific service (Day Hab) there is a per diem code that could possibly replace a ¼ hr code. Any coding change must be HIPAA compliant, compatible with new claims system, included in policy revision, and ultimately incorporated into the claims system by formal "change request." We relayed this, and our willingness to pursue it, to the providers on the 1/22 phone call.</p> | <p>This is a system efficiency, not direct cost saving item to the budget. The Dept. will continue to a discussion on this with MACSP and OMS.</p> | <p>Any coding change must be HIPAA compliant, compatible with new claims system, included in policy revision, and ultimately incorporated into the claims system by formal "change request."</p> |
| <p>1. Define units of service at the longest period of time allowed by Federal regulations for the service. Under current state requirements, some services are billed by the quarter hour, by the hour, by the day, by the week, and by the month. If we could bill by the longest allowable time with documentation requirements coinciding with the allowable period, savings would be seen.</p>   |   |  |  |

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| <p>2. Reconsideration of a current plan to make the internet based College of Direct Support the only training curriculum for direct support professionals. While the curriculum is excellent and is an ideal to strive for, it brings with it the need for significant investments in computer hardware, broadband internet access, employee training in the technology, program administration, and major and, as yet unanswered, Department of Labor questions about paying people to take the courses. We would ask the Department to allow a variety of training curricula, which could be reviewed and approved by department development staff.</p>   | <p>we accept this proposal on the change to the College of Direct Support. For the next year the Dept. will accept either the current DSP or the CDS.</p> <p>2/10/10 MACSP requested that the Dept extend the use of the DSP curriculum for more than one year. The Dept is not comfortable with this and has agreed to have a workgroup look at the barriers to moving this forward.</p> | <p>Assure that any future changes will reflect this agreement.</p>  |
| <p>3. Better coordination across the various part of the Department: The people we support are poor and there are generic resources available to poor people that are not available to the people we support. Two examples are rent rebates and energy assistance (LIHEAP). Since our small two, three, and four person homes are licensed under the generic assisted living regulations, these two resources are not available because of a Departmental determination that this would be "double dipping" because these costs are already being paid for. While this may be accurate for larger assisted living facilities, this is not accurate for our homes and we can provide verification of that.</p> <p>If the Program Integrity Unit could provide written guidance and, ideally, training to providers about the amount and content of documentation required by Federal regulations, we could work to assure that we are in compliance while not wasting resources that are not necessary, we could devote more time to direct support and, at the same time, reduce costs involved with PIU audits in the future.</p> | <p>Jane has explored this and we are not able to make changes due to federal guidelines.</p> <p>LIHEAP is administered by Maine State Housing. Mary Lou Dyer indicated that she would begin a discussion with them on this issue.</p> <p>This is not a budget item. Developmental Services will set up a meeting with the PIU and MACSP to continue this dialogue.</p>                    | <p>Mary Lou Dyer will reach out to Maine State Housing.</p> <p>The Dept. will provide Maine State Housing and Mary Lou Dyer any information on these homes that is requested.</p> |
| <p>In the discussion there has been recognition that progress had been made with PIU. That work needs to continue and concerns were expressed about how</p>  | <p>4</p>  |   |

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| <p>4. Review and reconsider the current reportable events policies to try to minimize time required while still working to assure the basic health and safety of the people we support.</p> <p>5. Review and reconsider the current person centered planning process and other regulations which require time consuming paperwork and meetings. PCPs, quarterly reviews, quality of life reviews, three person committee reviews of intrusive behavior plans, and IST meetings are examples. The question we would ask the Department to consider is whether all current meeting are really necessary for all people served and whether all documentation currently required is really necessary for all people served.</p> <p>6. Better education and training of departmental case management staff and better on-going communication with them to ensure that they understand the difficult environment we are living in with a goal of the department no longer imposing additional requirements for reporting, etc that, while they may be the ideal, are no longer realistic to expect from agencies due to reduced revenues.</p> <p>7. Allow providers to input data directly to the EIS eliminating duplication of efforts for both provider and department staff.</p> | <p>the audit staff were informed of the work with MACSP, Developmental Services and Marc Fecteau.</p> <p>The meeting with the Commissioner, she advised MACSP to reach out to the plaintiffs around this issue.</p> <p>In other meetings with Developmental Services, we have not had any further discussion on this topic.</p> <p>Developmental Services has acknowledged some inconsistency in requirements/expectations across the state. We also agreed to clearly articulate the minimum standards and assure that they are known throughout the system.</p> <p>Developmental Services has begun the discussion with MACSP and need to continue to define specific areas that could be delivered.</p> <p>Providers have been unable to provide any more detail. Currently have access for community case management &amp; reportable events. We are exploring access for APS report follow-up. We are</p> | <p>Need to update MACSP on work being done around reportable events and consider any specific recommendations they have.</p> <p>Propose minimum standards and convene a broad stakeholder group to review these standards.</p> <p>Continue dialogue</p> <p>Continue dialogue</p> | <p>Any changes need to comply with Consent Decree, State Law and Policy.</p> <p>Any action on PCPs requires broad stakeholder participation and compliance with Consent Decree and State Laws.</p> <p>Developmental Services would like to increase all electronic communication within HIPPA Guidelines.</p> |
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| <p>also exploring read only access for service authorization.</p>  |  |  |
| <p>Reconvene the group.</p>  | <p>MACSP representatives participated in the "Look to the Future" discussions. A written report will be available within 2 weeks highlighting group discussion.</p>  | <p><b>SERVICE DELIVERY RESTRUCTURING</b></p> <p>We recommend that the Department proactively begin and continue to have ongoing and candid discussions with MACSP and other stakeholders as to how services could/should be delivered and who should/could deliver those services to the developmentally disabled population, in order to develop a system of care that is meeting its obligations and is sustainable.</p>   |
|  |  | <p><b>RECOGNITION THAT SERVICES WILL CHANGE</b></p> <p>We recommend that even with the steps mentioned above that there be transparency and candor in recognizing, articulating, and accepting that the forthcoming reductions on top of last year's reductions in funding will affect services; things will not be the same, especially for those individuals with the most severe disabilities.</p> <p>It is imperative that Legislators be involved in and understands this. They are the people who get the calls from constituents and they need to be well informed about the implications of change. The current delivery system is a reflection of past public policy decisions and any changes will affect future public policy</p> |
| <p>Jenny Boyden needs to verify the numbers. The numbers listed are an estimate based on information provided.</p> | <p>The proposal in the Governor's budget reduces the hourly rate for every hour to a single individual who receives more than 168 hours of home support. The reduction results in a new rate of \$15.62 per hour. This is a reduction of \$8.23 from the current rate.</p> <p>MACSP has a counter proposal that increases the rate</p> | <p><b>Budget Initiative: lines 36; 37;38</b></p>   |

paid for every hour over 168. The justification for the increase is to cover costs incurred in what is called the "program", related category for such things as training, overtime, supervision etc. Their proposed reduction is \$3.05 from the current rate. Their position is that \$3.05 is attributable to general administrative costs. The estimated savings from the MACSP proposal is \$445,895. The Gov. budget proposal was \$707,770 savings, leaving a difference of \$261,875.

*on*

Meetings/phone calls

- 1/18- Meeting: initial meeting with Commissioner, Jane, David
- 1/22- phone conference with Jane, Bill, David
- 1/25- Meeting: Bill and Momentum
- 1/26-meeting: Jane, Bill, David with Living Innovations
- 1/28- meeting: Jane, Bill, David at SOB
- 2/1- phone conference: Jane, Bill, David
- 2/5 - meet with legislators: MACSP commissioner and her staff
- 2/10 am - meet with MACSP on budget initiatives
- 2/10 pm - meet with MACSP Shared Living providers Disability Rights Ctr to discuss shared living proposal to achieve 1mil savings

**Proposals for Consideration for Budget Savings  
From Representative Patricia Jones  
February 24, 2010**

1. Savings from discontinuing contract with AdCare Institute of Maine  
(proposal will be withdrawn if Office of Substance Abuse shows that this  
expenditure is needed to comply with federal maintenance of effort requirements)  
\$152,500

2. Savings from reducing contracted services at Muskie School of Public Service,  
University of Southern Maine and University of Maine at Farmington  
\$100,000

3. Savings from reducing Office of MaineCare Services fiscal agent related  
contracts totaling \$17,815,553 by 1%  
\$178,155

4. Savings from reducing DHHS requests for additional spending of \$6,000,000  
by 1%  
\$60,000

5. Savings from requiring one Superintendent to administer Dorothea Dix  
Psychiatric Center and Riverview Psychiatric Center  
\$160,000

Total savings      \$650,655

Department of Health and Human Services

Vendor Name: AdCare Institute of Maine, Inc

| CONTRACT # | TOTAL FY10 CONTRACT DOLLARS | CATEGORY | DESCRIPTION            | PURPOSE   |                                 |
|------------|-----------------------------|----------|------------------------|---|---------------------------------|
| 6018       | \$412,016                   | GF       | Training               | Provide Substance Abuse workforce with Core Skills required by licensing and federal block grant.   | Training - Basic Skills         |
| **         | \$152,500                   | SPEC     | Training               | Provide addictions workforce with exposure and training in best and evidence based practice as required by federal block grant.                 | Design/Implement New Approaches |
|            |                             |          | Training               | Assist organizations and individuals in the adoption and implementation of new practices.   | Design/Implement New Approaches |
|            |                             |          | Training               | Conduct systemic and organizational management improvement.   | ???                             |
|            |                             |          | Administrative Support | Staff the SASC (Substance Abuse Services Commission) meetings.  | Administer Existing Programs    |
|            |                             |          | Training               | Complete projects to increase knowledge and awareness of evidence-based and best practice in addiction prevention, intervention, and treatment. | Design/Implement New Approaches |
|            |                             |          | Training               | Analysis and improvement of workforce development system.   | Design/Implement New Approaches |
|            |                             |          | Administrative Support | Conduct logistical work for the Healthy Maine Partnership Annual meeting of October 6, 2009 at the Black Bear Inn, Orono, Maine.                | ???                             |
|            |                             |          | Training               | Develop and implement training, workforce development and support system regarding the issue of medication assisted treatment (MAT) in Maine.   | Design/Implement New Approaches |

Vendor Name: University of Southern Maine – Muskie School of Public Service

| CONTRACT # | TOTAL FY10 CONTRACT DOLLARS     | CATEGORY | DESCRIPTION                    | PURPOSE   |  |
|------------|---------------------------------|----------|--------------------------------|---|--|
| 5669       | \$92,340                        | GF       | Research & Consulting          | Research, analyze and assist with implementation of a tool for assessing level of supports required by service recipients and methods to correlate those needs with the allocation of resources - | Design/Implement New Approaches                    |
|            | \$167,052                       | FED      | Research Consulting & Training | Assist with improving services and programs through selected research, training and consulting projects.  | Research for Improving Effectiveness or Efficiency |
|            |                                 |          | Training & Consulting          | Develop a tool kit and trainings for support professionals on enhancing community inclusion, as required by the consent decree.   | Design/Implement New Approaches                    |
| 0248       | No FY10 encumbrance in contract | GF       | Training                       | Develop distance learning modules for state workers to provide one week of pre-service training online and reduce travel related costs.   | Design/Implement New Approaches                    |

Vendor Name: University of Maine at Farmington

| CONTRACT # | TOTAL FY10 CONTRACT DOLLARS | CATEGORY | DESCRIPTION | PURPOSE   |                                 |
|------------|-----------------------------|----------|-------------|---|---------------------------------|
| 5729       | \$23,750                    | GF       | Training    | Provide UMF students with internship opportunities within OMS.  | Professional Development        |
|            | \$23,750                    | FED      | Consulting  | Collaborate with OMS and outside marketing firm to conduct outreach activities or produce outreach materials to MaineCare members, i.e. brochures on how to improve health. | Design/Implement New Approaches |

\*\*Actual \$ that could be reduced would be less than total contract \$ because contract also contains other services not put forward for consideration and contract contained no breakdown by service.

OMS Fiscal Agent Related Contracts

| 2009                                |                      |                      |                   |            |                   |                      |
|-------------------------------------|----------------------|----------------------|-------------------|------------|-------------------|----------------------|
| LEGAL NAME                          | 010-012901           | 013-012901           | 014-012901        | 014-012904 | 015-012901        | Grand Total          |
| BAKER NEWMAN & NOYES                | 568,290.67           | 568,290.67           |                   |            |                   | 1,136,581.34         |
| BERRY DUNN MCNEIL & PARKER          | 120,122.00           | 1,081,094.00         |                   |            |                   | 1,201,216.00         |
| CLIENT NETWORK SERVICES INC         | 2,813,293.39         | 3,364,249.06         |                   |            |                   | 6,177,542.45         |
| CONSUMERS FOR AFFORDABLE            |                      | 100,002.00           | 100,002.00        |            |                   | 200,004.00           |
| DELOITTE CONSULTING LLP             | 1,474,676.73         | 5,392,475.21         |                   |            |                   | 6,867,151.94         |
| GHS DATA PROCESSING SERV INC        | 4,077,802.25         | 7,596,239.75         |                   |            |                   | 11,674,042.00        |
| HLTH MANAGEMENT SYS INC             | 822,540.00           | 822,540.00           |                   |            |                   | 1,645,080.00         |
| INNOVATIVE RESOURCE GROUP LLC (APS) | 1,215,936.50         | 3,647,810.50         |                   |            |                   | 4,863,747.00         |
| KEANE INC                           | 228,894.00           | 592,188.00           |                   |            |                   | 821,082.00           |
| MAINE LONG TERM CARE OMBUDSMAN      |                      | 202,615.00           |                   |            |                   | 202,615.00           |
| OTHER                               | 276,410.10           | 341,744.10           | 18,000.00         |            |                   | 636,154.20           |
| PUBLIC CONSULTING GROUP INC         | 2,913,029.00         | 3,039,717.00         |                   |            |                   | 5,952,746.00         |
| SCHALLER ANDERSON MEDICAL ADMINIS   | 3,200,000.00         | 4,044,343.00         |                   |            |                   | 7,244,343.00         |
| Unisys                              | 1,685,597.00         | 12,763,710.00        |                   |            |                   | 14,449,307.00        |
| UNIV OF ME SYS                      | 1,187,409.68         | 3,834,328.89         |                   |            | 101,577.56        | 5,123,316.13         |
| XWAVE NEW ENGLAND                   | 305,318.48           | 705,267.52           |                   |            |                   | 1,010,586.00         |
| <b>Grand Total</b>                  | <b>20,889,319.80</b> | <b>48,096,614.70</b> | <b>118,002.00</b> |            | <b>101,577.56</b> | <b>69,205,514.06</b> |

| 2010                            |                      |                      |                   |                   |                   |                      |
|---------------------------------|----------------------|----------------------|-------------------|-------------------|-------------------|----------------------|
| LEGAL NAME                      | 010-012901           | 013-012901           | 014-012901        | 014-012904        | 015-012901        | Grand Total          |
| BAKER, NEWMAN, NOYES, LLC       | 568,290.67           | 568,290.67           |                   |                   |                   | 1,136,581.34         |
| BERRY, DUNN, MCNEIL & PARKER    | 89,119.00            | 802,072.00           |                   |                   |                   | 891,191.00           |
| CLIENT NETWORK SERVICES INC     | 1,648,445.16         | 2,082,622.86         |                   |                   |                   | 3,731,068.02         |
| CONSUMERS FOR AFFORDABLE        |                      | 100,002.00           | 100,002.00        |                   |                   | 200,004.00           |
| DELOITTE                        | 779,939.85           | 3,689,539.15         |                   |                   |                   | 4,469,479.00         |
| GOOLD HEALTH SERVICES           | 3,839,162.75         | 7,357,600.25         |                   | 197,100.00        |                   | 11,393,863.00        |
| INNOVATIVE RESOURCE GROUP       | 1,118,393.00         | 3,355,180.00         |                   |                   |                   | 4,473,573.00         |
| KEANE                           | 228,894.00           | 592,188.00           |                   |                   |                   | 821,082.00           |
| OTHER                           | 301,517.91           | 504,862.41           | 0.00              | 91,000.00         |                   | 897,380.32           |
| PCG                             | 2,869,261.00         | 2,926,949.00         |                   |                   |                   | 5,796,210.00         |
| SCHALLER ANDERSON MEDICAL ADMIN | 3,200,000.00         | 4,044,343.00         |                   |                   |                   | 7,244,343.00         |
| UNIVERSITY OF MAINE SYSTEM      | 661,335.25           | 2,704,879.75         |                   |                   | 135,436.75        | 3,501,651.75         |
| UNISYS                          | 2,885,400.00         | 25,968,600.00        |                   |                   |                   | 28,854,000.00        |
| XWAVE                           | 238,832.30           | 617,363.70           |                   |                   |                   | 856,196.00           |
| <b>Grand Total</b>              | <b>18,428,590.89</b> | <b>55,314,492.79</b> | <b>100,002.00</b> | <b>288,100.00</b> | <b>135,436.75</b> | <b>74,266,622.43</b> |

| 2011                            |              |               |                  |            |            |               |
|---------------------------------|--------------|---------------|------------------|------------|------------|---------------|
| LEGAL NAME                      | 010-012901   | 013-012901    | 014-012901       | 014-012904 | 015-012901 | Grand Total   |
| BAKER, NEWMAN, NOYES, LLC       | 568,290.67   | 568,290.67    |                  |            |            | 1,136,581.34  |
| BERRY, DUNN, MCNEIL & PARKER    |              |               | To be terminated |            |            |               |
| CLIENT NETWORK SERVICES INC     |              |               | To be terminated |            |            |               |
| CONSUMERS FOR AFFORDABLE        |              | 100,002.00    | 100,002.00       |            |            | 200,004.00    |
| DELOITTE                        |              |               | To be terminated |            |            |               |
| GOOLD HEALTH SERVICES           | 3,839,162.75 | 7,357,600.25  |                  | 197,100.00 |            | 11,393,863.00 |
| INNOVATIVE RESOURCE GROUP       | 1,118,393.00 | 3,355,180.00  |                  |            |            | 4,473,573.00  |
| KEANE                           | 228,894.00   | 592,188.00    |                  |            |            | 821,082.00    |
| OTHER                           |              |               | ???              |            |            |               |
| PCG                             |              |               | To be terminated |            |            |               |
| SCHALLER ANDERSON MEDICAL ADMIN | 3,200,000.00 | 4,044,343.00  |                  |            |            | 7,244,343.00  |
| UNIVERSITY OF MAINE SYSTEM      | 661,335.25   | 2,704,879.75  |                  |            | 135,436.75 | 3,501,651.75  |
| UNISYS                          | 8,040,250.00 | 24,120,750.00 |                  |            |            | 32,161,000.00 |
| XWAVE                           | 159,229.49   | 411,596.38    |                  |            |            | 570,825.87    |





# 124th MAINE LEGISLATURE

LD 233

LR 262(06)

An Act To Include Independent Practice Dental Hygienists in MaineCare

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Health and Human Services

Fiscal Note Required: Yes

## Fiscal Note

|                                   | 2009-10 | 2010-11   | Projections<br>2011-12 | Projections<br>2012-13 |
|-----------------------------------|---------|-----------|------------------------|------------------------|
| <b>Net Cost (Savings)</b>         |         |           |                        |                        |
| General Fund                      | \$0     | \$52,580  | \$156,113              | \$234,169              |
| <b>Appropriations/Allocations</b> |         |           |                        |                        |
| General Fund                      | \$0     | \$52,580  | \$156,113              | \$234,169              |
| Federal Expenditures Fund         | \$0     | \$103,818 | \$275,138              | \$412,706              |
| Federal Expenditures Fund ARRA    | \$0     | \$5,321   | \$0                    | \$0                    |

### Fiscal Detail and Notes

Provides an appropriation of \$52,580 in 2010-11 for the state share of the costs of providing MaineCare reimbursement directly to dental hygienists practicing independently beginning October 1, 2010. Assumes initially that five dental hygienists will provide services to an average of 15 MaineCare eligible children per week each at an estimated per visit cost of \$115 and that 50% of this initial utilization would replace existing services and 50% would reflect an increase in MaineCare dental hygienists services provided. Further assumes an additional five dental hygienists each year in subsequent years.

ROS Strike and replace appropriation and allocation section.

Sec. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Medical Care - Payments to Providers 0147

Initiative: Appropriates and allocates funds for the costs of MaineCare reimbursement for services provided by dental hygienists practicing independently effective October 1, 2010.

|   | 2009-10 | 2010-11   |
|---|---------|-----------|
| GENERAL FUND  |         |           |
| All Other   | \$0     | \$52,580  |
| GENERAL FUND TOTAL                                      | \$0     | \$52,580  |
| <br>  |         |           |
| FEDERAL EXPENDITURES FUND                               | 2009-10 | 2010-11   |
| All Other   | \$0     | \$103,818 |
| FEDERAL EXPENDITURES FUND TOTAL                         | \$0     | \$103,818 |
| <br>  |         |           |
| FEDERAL EXPENDITURES FUND ARRA                          | 2009-10 | 2010-11   |
| All Other   | \$0     | \$5,321   |
| FEDERAL EXPENDITURES FUND ARRA TOTAL                    | \$0     | \$5,321   |
| <br>  |         |           |
| HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS) |         |           |
| DEPARTMENT TOTALS                                       | 2009-10 | 2010-11   |
| GENERAL FUND  | \$0     | \$52,580  |
| FEDERAL EXPENDITURES FUND                               | \$0     | \$103,818 |
| FEDERAL EXPENDITURES FUND ARRA                          | \$0     | \$5,321   |
| DEPARTMENT TOTAL - ALL FUNDS                            | \$0     | \$161,719 |

**ANALYSIS OF  
EMERGENCY DEPARTMENT USE in MAINE**

A Study Conducted on Behalf of the  
Emergency Department Use Work Group of the  
Maine Advisory Council on Health System Development

The top diagnostic reason for an emergency department visit among both MaineCare and uninsured young adults aged 15 through 24 *and* adults aged 25 through 44 was dental disease.

In 2006, 11,960 emergency department visits related to dental care needs were made in Maine just by adults between the ages of 15 and 44 (see table 1). Clearly, one area where early intervention and alternative care sites could reduce emergency department utilization is across the full spectrum of dental care from preventive care to dental surgery.

*For 2006 at a charge of \$500 per ED dental visit, for 11,960 visits the costs would be six million dollars.*

Our data affirms that there are shortages of dental providers, generally, and for MaineCare participants, in particular.

Improve access to dental care through strategies to address provider shortages and financial access barriers.

**Consideration should be given to defining how Maine can expand its available dental workforce capacity.** There are three models for new dental care providers currently being discussed and promoted nationally in the oral health community: dental therapists, community dental health coordinators and advanced dental hygiene practitioners (Pew Center on the States, 2009). Both Maine's dental association and association of dental hygienists have put forward proposals for licensure of new practitioners, but they are not in agreement as to type or level of independence. Moving this issue toward resolution and moving forward with implementation could have a substantial impact on Maine emergency department use.

Another complementary approach to expanding access would be to expand the scope of practice of "mid-level" dental practitioners. The Advance Practice Dental Hygienist has been approved in Maine but they are not allowed to Bill Medicaid. Approving reimbursement for this position might be an approach to making dental care available in areas which are currently underserved.

Table 1: Number of Visits and Percent of Visits Attributable to Frequent Users for Top Diagnoses in Rank Order for Specific Age and Payer Cohorts in Maine, 2006

| Privately Insured                   |               |              | MaineCare                           |               |              | Uninsured                           |               |              |
|-------------------------------------|---------------|--------------|-------------------------------------|---------------|--------------|-------------------------------------|---------------|--------------|
| Diagnosis                           | Number Visits | % Freq. User | Diagnosis                           | Number Visits | % Freq. User | Diagnosis                           | Number Visits | % Freq. User |
| <b>Cohort Under Age 1</b>           |               |              |                                     |               |              |                                     |               |              |
| 1. Otitis media                     | 366           | 18.6%        | 1. Upper respiratory infection      | 1,253         | 30.5%        | 1. Upper respiratory infection      | 85            | 9.4%         |
| 2. Upper resp. infection            | 302           | 14.6         | 2. Otitis media                     | 1,126         | 34.5         | 2. Otitis media                     | 54            | 20.4         |
| 3. Fever                            | 251           | 10.8         | 3. Fever                            | 557           | 25.0         | 3. Fever                            | 32            | 9.4          |
| 4. Unspec. viral infect             | 120           | 10.8         | 4. Unspec. viral infection          | 428           | 40.9         | 4. Unspec. viral infection          | 23            | 21.7         |
| 5. Contus. Of face scalp & neck     | 88            | 12.5         | 5. Vomiting alone                   | 264           | 31.4         | 5. Fussy infant                     | 16            | 18.8         |
| 6. Vomiting alone                   | 78            | 10.3         | 6. Conjunctivitis                   | 193           | 32.6         | 6. Vomiting alone                   | 14            | 28.6         |
| 7. Acute bronchiolitis              | 68            | 11.8         | 7. Fussy infant                     | 192           | 31.8         | 7. Candidiasis of mouth             | 13            | 15.4         |
| 8. Croup                            | 67            | 7.4          | 8. Noninf. Gastroenteritis          | 178           | 32.6         | 8. Rash                             | 13            | 15.4         |
| <b>Cohort Ages 15 through 24</b>    |               |              |                                     |               |              |                                     |               |              |
| 1. Acute pharyngitis & strep throat | 1914          | 11.5%        | 1. Dental disease                   | 3430          | 44.8%        | 1. Dental disease                   | 1149          | 33.4%        |
| 2. Ankle sprain & strain            | 1116          | 5.6          | 2. Acute pharyngitis & strep throat | 2291          | 25.5         | 2. Acute pharyngitis & Strep throat | 751           | 14.2         |
| 3. Abdominal pain                   | 994           | 21.2         | 3. Abdominal pain                   | 1669          | 44.4         | 3. Bronchitis                       | 392           | 21.4         |
| 4. Urinary tract infection          | 859           | 10.9         | 4. Mental health problems           | 1243          | 42.9         | 4. Urinary tract infection          | 351           | 17.4         |
| 5. Neck sprain and strain           | 796           | 14.2         | 5. Upper respiratory infection      | 1173          | 37.1         | 5. Abdominal pain                   | 350           | 14.6         |
| 6. Open finger wound                | 643           | 8.5          | 6. Urinary tract infection          | 1170          | 38.4         | 6. Mental health problems           | 347           | 29.1         |
| 7. Upper respiratory infection      | 586           | 16.2         | 7. Lumbago & lumbar strain          | 1098          | 43.7         | 7. Lumbago & lumbar strain          | 340           | 34.4         |
| 8. Otitis media                     | 492           | 9.3          | 8. Ankle sprain & strain            | 1011          | 28.0         | 8. Ankle strain and sprain          | 272           | 14.7         |
| <b>Cohort Ages 25 through 44</b>    |               |              |                                     |               |              |                                     |               |              |
| 1. Chest pain                       | 2502          | 9.4%         | 1. Dental disease                   | 4949          | 43.6%        | 1. Dental disease                   | 2432          | 28.7%        |
| 2. Acute pharyngitis                | 2009          | 6.4          | 2. Headache & Migraine              | 2587          | 56.9         | 2. Lumbago & lumbar sprain          | 949           | 26.3         |
| 3. Abdominal pain                   | 1877          | 9.5          | 3. Lumbago & lumbar sprain          | 2581          | 31.0         | 3. Acute bronchitis                 | 727           | 21.2         |
| 4. Lumbago & lumbar sprain          | 1692          | 4.4          | 4. Abdominal pain                   | 2096          | 45.8         | 4. Mental health problems           | 620           | 24.3         |
| 5. Bronchitis                       | 1485          | 12.2         | 5. Mental health problems           | 1723          | 45.4         | 5. Abdominal pain                   | 602           | 30.1         |
| 6. Headache                         | 1241          | 48.3         | 6. Acute bronchitis                 | 1710          | 35.2         | 6. Chest pain                       | 587           | 18.2         |
| 7. Open finger wound                | 1218          | N.A.         | 7. Chest pain                       | 1607          | 31.4         | 7. Acute pharyngitis                | 518           | 14.9         |
| 8. Neck sprain and strain           | 1109          | 11.9         | 8. Acute pharyngitis                | 1204          | 28.4         | 8. Headache                         | 398           | 30.4         |

**FUND FOR A HEALTHY MAINE (FHM) STATUS**  
 Governor's Proposed 2010-2011 Supplemental Budget (LD 1671)<sup>1</sup>

|   | FY 10               | FY 11               |
|---|---------------------|---------------------|
| <b><u>FHM RESOURCES:</u></b>                    |                     |                     |
| <b><u>Revenue</u></b>                           |                     |                     |
| December 2008 Base Revenue Estimate             | \$63,760,785        | \$64,478,815        |
| May 2009 Revenue Forecast                       | (\$4,106,734)       | (\$7,384,811)       |
| December 2009 Revenue Forecast                  | \$521,643           | \$222,282           |
| PL 2009, c. 462, Pt. H, Streamlining Initiative | (\$776,923)         | (\$882,971)         |
| <b>Subtotal - Revenue</b>                       | <b>\$59,398,771</b> | <b>\$56,433,315</b> |
| <b>Total FHM Resources</b>                      | <b>\$59,398,771</b> | <b>\$56,433,315</b> |

**FHM ALLOCATIONS AND OTHER USES:<sup>2</sup>**

|   |                      |                      |
|---|----------------------|----------------------|
| <b><u>Transfers</u></b>   |                      |                      |
| Governor's Proposed Supplemental (LD 1671) - Part M               | \$3,925,515          | \$222,282            |
| <b>Subtotal - Transfers</b>                                       | <b>\$3,925,515</b>   | <b>\$222,282</b>     |
| <b><u>Allocations</u></b>   |                      |                      |
| Governor's Proposed Baseline Budget                               | \$69,006,136         | \$69,014,916         |
| 2010-2011 Biennial Budget (LD 353, PL 2009, c. 213) - Adjustments | (\$6,267,094)        | (\$8,235,646)        |
| PL 2009, c. 462, Pt. A, Streamlining Initiative                   | \$0                  | \$110,092            |
| Governor's Proposed Supplemental (LD 1671) - Part A               | \$1,676,780          | (\$444,627)          |
| <b>Subtotal - Allocations</b>                                     | <b>\$64,415,822</b>  | <b>\$60,444,735</b>  |
| <b>Total Allocations and Other Uses</b>                           | <b>\$68,341,337</b>  | <b>\$60,667,017</b>  |
| <b>Net Change (Resources minus Allocations and Other Uses)</b>    | <b>(\$8,942,566)</b> | <b>(\$4,233,702)</b> |

|                                |                      |                      |
|--------------------------------|----------------------|----------------------|
| <b>BEGINNING BALANCE</b>       | \$1,845,686          | \$2,903,120          |
| <b>NET CHANGE (FROM ABOVE)</b> | <b>(\$8,942,566)</b> | <b>(\$4,233,702)</b> |
| <b>ENDING BALANCE</b>          | <b>\$2,903,120</b>   | <b>(\$1,330,582)</b> |

**Major Changes Proposed in Governor's 2010-2011 Supplemental Budget:**

|  | FY 10       | FY 11       |
|--|-------------|-------------|
| > Transfers Fund for a Healthy Maine balance to General Fund unappropriated surplus in FY 10 and FY 11.  | \$3,925,515 | \$222,282   |
| > Provides funding to the Fire Marshall for inspections of facilities licensed by the Department of Health and Human Services.   | \$1,140,780 | \$0         |
| > Provides funding to offset the deallocation made in PL 2009, c. 213, Part UUUU.  | \$536,000   | \$0         |
| > Transfers 4 Community Care Worker positions and one Social Services Program Specialist II position from the FHM - Service Center program to the Division of Licensing and Regulatory Services program. | \$0         | (\$412,346) |
| > Reduces funding by paying the last MaineCare cycle payment of FY 11 in FY 12.  | \$0         | (\$32,281)  |

**NOTES:**

<sup>1</sup> Reflects all budgeted revenue and allocations through the close of the 1st Regular Session of the 124th Legislature, revenue variances and accounting adjustments at the close of FY 09, December 2009 RFC adjustments, PL 2009, c. 462 Streamlining Initiatives (LD 1668), and proposals included in the Governor's Proposed 2010-2011 Supplemental Budget (LD 1671).

<sup>2</sup> For the purposes of this summary, transfers out are treated as an expenditure/use and are positive amounts, while transfers in are negative amounts. There were no transfers authorized through the 124th Legislature, 1st Regular Session.



HHS Committee 2/24/10 Report Back Summary

|                                      | 2009-10       | 2010-11        | Biennium       |
|--------------------------------------|---------------|----------------|----------------|
| Voted Yes                            | \$16,066,697  | (\$45,505,880) | (\$29,439,169) |
| Voted No                             | (\$1,575,492) | (\$31,467,274) | (\$33,042,766) |
| Other (Modified, Still Under Review) | (\$5,981,057) | (\$20,072,021) | (\$26,053,078) |
| Mgt Items Report Net Impact          | (\$443,058)   | (\$833,554)    | (\$1,276,612)  |
| Total HHS/FHM Target                 | \$8,067,090   | (\$27,878,715) | (\$69,811,625) |

| Line # | Program Code | Initiative #                                | Initiative Text  | Initiative Justification   | Secondary Fund Class  | Unit Number | HHS Notes   | HHS Vote   | FY 10 Total | FY 11 Total |
|--------|--------------|---|--|--|-----------------------|-------------|---|--|-------------|-------------|
| 3      | 120          | Dorothea Dix Psychiatric Center             | F-A-7201: Reduces funding for the Dorothea Dix Psychiatric Center.   | The reduction in this account will be absorbed by the Dorothea Dix Psychiatric Center.   | Adult MH General Fund | 55          | 147 Funds not needed.   | Y  | \$0         | \$0         |
| 4      | 121          | Mental Health Services - Community          | F-A-7254: Reduces funding for contracted vocational services. Funding in the same amount will be appropriated to the Department of Labor and matched with federal funds and used for the same purpose. | This initiative reduces funding in the Office of Adult Mental Health Services used for contracted vocational services. A corresponding appropriation to the Department of Labor will be used to match funding from the Rehabilitation Services Administration and be used for the same purpose.  | Adult MH General Fund | 2           | 151 Clarification needed of program use in 2010 in DHHS and in DOL in 2011, purposes, consumers, budget, impact of change.  | Y  | \$0         | \$304,000   |
| 5      | 732          | Mental Health Services - Community Medicaid | F-A-7268: Reduces funding by limiting mental health outpatient therapy to 18 visits per year. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program.       | The Department proposes to limit mental health outpatient therapy paid under Section 65 of the MaineCare Benefits Manual to 18 visits per year (72 units) for adults. During the year reviewed, 19,942 adults received this service with 4,267 receiving more than 18 visits. The department will also adopt more stringent eligibility criteria for children who receive more than 18 visits (72 units) per year to limit services to only those children at risk for out of home or hospital placement. During the year reviewed, 13,923 children receive this service with 3,935 receiving more than 16 visits. These two efforts will reduce spending by approximately \$4,611,380 or \$1,427,225 in General Fund. | Adult MH General Fund | 14          | 190 DHHS states that there will be no limit on medication management visits and that 18 is a hard limit for adults, no authorization above that. Info requested on whether for adult populations on all the benefit limits there will be exceptions. Info requested on standards for children's MH continued stay review inpatient and prior authorization outpatient. Info requested on possible streamlining of eligibility/care entry process for adults and children. Possibilities Counseling Inc. testified to clients who are required by their physicians to go to therapy sessions weekly, also have monthly physician visits. Limit of 18 visits would conflict with medical treatment. Also testified to frequent sessions required by adult and juvenile probation officers and courts when parents have children in child welfare services. Frequent visits also required for victims of psychological stress, violence, post traumatic stress syndrome. Todd Goodwin, Mid Coast Hospital, stated that mental health cuts will cause 5% loss in FY10 and 20% loss in FY11, and the wait list is over 200 pers. | Y, amended to impose soft cap, allowing 30% of members to get over 18 visits and allowing unlimited group therapy. See also item 19 for children's outpatient therapy services. Item 18 is FFP of this item and item 19. | \$0         | \$712,000   |

| Line # | Program                                  | Initiative # | Initiative Text   | Initiative Justification  | Secondary Class     | Fund         | Unit | Unit Name | HHS Notes  | HHS Vote  | FY 10 Total | FY 11 Total |
|--------|--|--------------|---|---|---------------------|--------------|------|-----------|--|---|-------------|-------------|
| 9      | 147 Medical Care - Payments to Providers | F-A-7273     | Reduces funding by restricting the use of antipsychotic drugs and by strengthening policies to require use of the most cost-effective option when more than one version of a unique chemical entity exists. | Approximately \$600K in savings would be achieved restricting the use of antipsychotic drugs to a) FDA approved indications, and b) other indications only when supported by published peer reviewed randomized controlled trials and when other FDA approved therapies have failed. The loss of rebates on atypical drug utilization that would be eliminated is reflected in the projected savings. In addition, \$400K in savings would be achieved by establishing new requirements to govern the use of a less cost effective version of a drug when more than one version of the same drug exists. Whenever more than one version of a unique chemical entity exists, only the most cost effective version would be payable unless at least one of the following conditions exists: a) the less cost effective version has demonstrated clinically meaningful superior outcomes or safety in peer reviewed published randomized trials, or b) the more cost effective version is not available through a nearby or mail order MaineCare pharmacy. | Adult MH            | General Fund | 1    | 789       | DHHS-talking with advocates about this proposal. May be reworked. Maine Assoc Psychiatric Physicians suggests this proposal lacks physician input, requires input of professionals with clinical expertise.  | Y, amended to impose controls on atypical for new users (\$175,000), to decrease the use of narcotics thru evidence-based addiction management and reduction in the use of antibiotics (\$425,000) and to increase the use of generics (\$400,000). | \$0         | \$0         |
| 10     | 121 Mental Health Services - Community   | F-A-7282     | Eliminates one Physician III position in the Mental Health Services - Community Physician III position to part-time in the Mental Health Services - Children program.                                       | This initiative eliminates 1.5 positions from various department accounts in order to keep expenditures in line with available funding.   | Adult MH            | General Fund | 2    | 153       | Maine Medical Center opposed cut of MH Medical Director psychiatrist position, citing MH drug overdoses and NE Poison Control Center, need for oversight and coordination of care, Me Assoc Psychiatric Physicians opposed MH medical position cut, stressed worth and asked expand duties to MaineCare. | Y   | \$0         | \$245,363   |
| 12     | 137 IV-E Foster Care/Adopt on Assistance | F-A-7207     | Reduces funding by streamlining adoptive family recruitment using technology.   | A recent DHHS website enhancement has created a more streamlined approach to recruitment of adoptive families. This new enhancement now provides families curious about adoption and seeking information online (by far the most used medium) a simple, progressive three step process for: a) learn about the adoption process; b) view photos and descriptions of children awaiting permanency; and c) put the families in touch with a real person to discuss the child in more detail. The simple process begins with just one mouse click on the link entitled "How do I adopt a child from DHHS?" This enhancement can effectively replace the website service provided by International Adoption Services Center.  | Children's Services | General Fund | 1    | 572       | \$112,000 cut was proposed for FY 10 and rejected in PL 2009, chapter 213.   | Y   | \$0         | \$0         |

| Line # | Program  | Initiative # | Initiative Text  | Initiative Justification   | Secondary Fund Class | Unit (Line) Number | HHS Notes   | HHS Vote  | FY 10 Total | FY 11 Total |
|--------|--|--------------|--|--|----------------------|--------------------|---|---|-------------|-------------|
| 13     | 147 Medical Care - Payments to Providers         | F-A-7208     | Reduces funding to reflect the savings associated with the creation of a children's waiver.  | Children's Behavioral Health Services will work with the federal Centers for Medicare and Medicaid Services and the Office of MaineCare Services to implement a new section of MaineCare policy to serve children. It is anticipated that there would be approximately 40 children across Children's Behavioral Health and Child Welfare Services that would be served in the waiver program at a state expenditure of approximately \$29,720 per child/per year. These children would otherwise be receiving services in a facility such as a private nonmedical institution (PNMI) at an annual state expenditure of \$59,097. This initiative would generate savings of \$29,377 per child per year or up to \$979,560 in General Fund expenditures for 40 children after being adjusted for the PNM tax. | Children's Services  | 1                  | 724 Julia Bell, DD Council, questions how quickly waiver can be obtained and savings achieved. Is this amount 12 months of savings? | Y, 2/19, assumes prompt approval of waiver by CMS.  | \$0         | \$0         |
| 16     | 2008 Maternal and Child Health Block Grant Match | F-A-7223     | Reduces funding not required for matching purposes.  | This initiative will reduce funding in General Fund accounts administered by the Maine Center for Disease Control and Prevention. This includes a reduction in fiscal year 2009-10 of \$400,000 that is available from amounts that carried into the account from fiscal year 2008-09 and fiscal year 2010-11 reductions in the Office of the Maine CDC Director, Division of Environmental Health, Infectious Disease, Chronic Disease and Public Health Systems, including the Health, Environmental Testing Lab and the Maternal and Child Health Unit of the Division of Family Health.  | Children's Services  | 1                  | 917   | Y   | \$0         | \$0         |
| 19     | 731 Mental Health Services - Child Medicaid      | F-A-7268     | Reduces funding by limiting mental health outpatient therapy to 18 visits per year. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program. | The Department proposes to limit mental health outpatient therapy paid under Section 65 of the MaineCare Benefits Manual to 18 visits per year (72 units) for adults. During the year reviewed, 19,942 adults received this service with 4,267 receiving more than 18 visits. The department will also adopt more stringent eligibility criteria for children who receive more than 18 visits (72 units) per year to limit services to only those children at risk for out of home or hospital placement. During the year reviewed, 13,923 children receive this service with 3,935 receiving more than 18 visits. These two efforts will reduce spending by approximately \$4,611,390 or \$1,427,225 in General Fund.   | Children's Services  | 17                 | 185   | Y, amended to impose soft cap, allowing 30% of members to get over 18 visits and allow unlimited group therapy. DHHS will institute protections for children's EPSDT services as required for Medicaid. FFP match for this item and item 5 is in item 18. | \$0         | \$0         |

| Line # | Program Code                                | Initiative # | Initiative Text  | Initiative Justification  | Secondary Fund Class                | Unit | Line Number | HHS Notes                                      | HHS Vote | FY 10 Total | FY 11 Total |
|--------|---|--------------|--|---|-------------------------------------|------|-------------|--|----------|-------------|-------------|
| 21     | 136 Mental Health Services - Children       | F-A-7282     | Eliminates one Physician III position in the Mental Health program and reduces one Physician III position to part-time in the Mental Health Services - Children program.       | This initiative eliminates 1.5 positions from various department accounts in order to keep expenditures in line with available funding.   | Children's Services General Fund    | 7    | 166         | See item 10.                                   | Y        | \$0         | \$0         |
| 22     | 19 Department wide                          | F-A-7252     | Adjusts funding to distribute the departmentwide deappropriation included in Public Law 2009, chapter 213, Part A related to a social security income cost-of-living increase. | Public Law 2009, c. 213, Part A included General Fund deappropriations of \$4,000,000 per year from savings due to a Social Security income cost-of-living increase. This initiative distributes those savings to the Medical Care Services account which realized those savings.   | Department General Fund             | 1    | 137         |  | Y        | \$4,000,000 | \$4,000,000 |
| 23     | 147 Medical Care - Payments to Providers    | F-A-7253     | Adjusts funding to distribute the departmentwide deappropriation included in Public Law 2009, chapter 213, Part A related to a social security income cost-of-living increase. | Public Law 2009, c. 213, Part A included General Fund deappropriations of \$4,000,000 per year from savings due to a Social Security income cost-of-living increase. This initiative distributes those savings to the Medical Care Services account which realized those savings.   | Department General Fund             | 1    | 754         |  | Y        | \$4,000,000 | \$4,000,000 |
| 25     | 705 Medicaid Services - Mental Retardation  | F-A-1852     | Provides funding for the Mental Retardation Waiver - Supports program through a reduction in the Medicaid Services - Mental Retardation program.                               | The Mental Retardation Waiver was designed to offer support to qualified individuals. Many of these individuals were formerly receiving services under the MaineCare Benefits Manual, Section 24 Day Habilitation policy. Upon the Section 24 policy elimination, the funds previously used to fund Day Habilitation should be transferred to the MR Supports account in order to fund the Supports Waiver. | Developmental Services General Fund | 12   | 173         | Info needed on account balance, effect of cut. | Y        | \$4,222,447 | \$4,222,447 |
| 26     | 2006 Mental Retardation Waiver - Supports   | F-A-1852     | Provides funding for the Mental Retardation Waiver - Supports program through a reduction in the Medicaid Services - Mental Retardation program.                               | The Mental Retardation Waiver was designed to offer support to qualified individuals. Many of these individuals were formerly receiving services under the MaineCare Benefits Manual, Section 24 Day Habilitation policy. Upon the Section 24 policy elimination, the funds previously used to fund Day Habilitation should be transferred to the MR Supports account in order to fund the Supports Waiver. | Developmental Services General Fund | 1    | 219         |  | Y        | \$4,222,447 | \$4,222,447 |
| 27     | 122 Mental Retardation Services - Community | F-A-1913     | Provides funding for an anticipated shortfall in the Office of Advocacy program through a reduction in the Mental Retardation Services - Community program.                    | This initiative funds a projected shortfall within the Office of Advocacy by reducing the funding in the Mental Retardation Community Services  | Developmental Services General Fund | 60   | 156         |  | Y        | -8129       | -8129       |

| Line # | Program  | Initiative # | Initiative Text   | Initiative Justification  | Secondary Fund Class       | Unit Number | HHS Notes    | HHS Vote | FY 10 Total | FY 11 Total |
|--------|--|--------------|---|---|----------------------------|-------------|--------------|----------|-------------|-------------|
| 28     | 632 Office of Advocacy - BDS                                 | F-A-1913     | Provides funding for an anticipated shortfall in the Office of Advocacy - BDS program through a reduction in the Mental Retardation Services - Community program.   | This initiative funds a projected shortfall within the Office of Advocacy by reducing the funding total in the Mental Retardation Community account. Services | Developmental General Fund | 42          | 168          | Y        | 8129        | 8129        |
| 44     | 453 Bureau of Family Independence - Regional                 | F-A-BBB-1    | Part BBB requires the State Controller to transfer a total of \$5,813,927 in fiscal year 2009-10 from the unappropriated surplus of the General Fund to Other Special Revenue Funds accounts within the Department of Health and Human Services to settle indirect cost allocation settlements. |   | DHHS Other                 | 1           |              | Y        | \$1,569,406 | \$0         |
| 46     | 203 Office of Integrated Access and Support - Central Office | F-A-BBB-1    | Part BBB requires the State Controller to transfer a total of \$5,813,927 in fiscal year 2009-10 from the unappropriated surplus of the General Fund to Other Special Revenue Funds accounts within the Department of Health and Human Services to settle indirect cost allocation settlements. |   | DHHS Other                 | 1           | See item 44. | Y        | \$1,804,827 | \$0         |
| 48     | 2038 Division of Administrative Hearings                     | F-A-BBB-1    | Part BBB requires the State Controller to transfer a total of \$5,813,927 in fiscal year 2009-10 from the unappropriated surplus of the General Fund to Other Special Revenue Funds accounts within the Department of Health and Human Services to settle indirect cost allocation settlements. |   | DHHS Other                 | 1           | See item 44. | Y        | \$439,694   | \$0         |



| Line # | Program Code | Initiative # | Initiative Text  | Initiative Justification   | Secondary Class | Fund         | Unit | Line Number | HHS Notes  | HHS Vote  | FY 10 Total | FY 11 Total |
|--------|--------------|--------------|--|--|-----------------|--------------|------|-------------|--|---|-------------|-------------|
| 56     | 202          | F-A-7218     | Reduces funding by a reduction of the benefit provided under the Low-cost Drugs To Maine's Elderly program.  | The Low Cost Drugs for the Elderly and Disabled (DEL) benefit is a prescription drug assistance program. This initiative will eliminate only copays for Medicare Savings Plan members. These members are between 100% and 185% of the federal poverty level. Copays are \$2.50 for generics and \$6.30 for brand name drugs. The proposal retains coverage for the gap (donut hole) and deductible coverage as well for the excluded drugs. It also retains coverage for the beneficiaries with incomes less than 100% FPL.                                      | Elder Services  | General Fund | 1    | 830         | Testimony opposed from consumers using DEL program. Cut would mean DEL would no longer pay Medicare co-pay - 37,000 MSP consumers would pay Brenda Duggan, Maine Coast Memorial Hospital provided info on MSP clients using DEL to pay Medicare copays. John Carr, MCSC, and Steve Griffin, AARP, Chris Hastedt, MEJP, Leo Delicata, LSE -oppose shifting copays to consumers and apparent cut to benefit. Will there be a monthly cap on co-pays? What is cut in benefits? GF appropriation for FY10 is \$4,974,023, for FY11 is \$4,972,785. | Y, 2/19, 8-1, as amended on handout, several initiatives, with copy cap of \$200/yr and hardship fund of \$200,000. | \$0         | \$0         |
| 69     | 103          | F-A-7020     | Reduces funding for contractual services from the Maine Children's Alliance to maintain costs within available resources.  | This program provides ombudsman services to the children and families of the State regarding child welfare services provided by the Department of Health and Human Services.   | HHS Other       | General Fund | 1    | 462         | GF appropriation is \$122,524/yr. Cut is 3.9%. Ombudsman also receives \$57,150 in federal Medicaid matching funds. Appropriation is to Office of the Executive account, services are contracted to Maine Children's Alliance.   | Y   | \$0         | \$0         |
| 70     | 663          | F-A-7452     | Reduces funding to maintain appropriations within available resources.   | This initiative represents a one-time reduction of 5% to the program to maintain costs within available resources.   | HHS Other       | General Fund | 1    | 483         | GF appropriation is \$65,884/yr. Information requested on total budget.  | Y   | \$0         | \$0         |
| 71     | 129          | F-A-1918     | Adjusts funding for the decrease in the federal financial participation rate from 75% to 50% on the Maine Integrated Health Management Solution (MIHMS) system until fiscal year 2011-12 when the certification process will be completed. | This initiative recognizes that the certification process for the Maine Integrated Health Management Solution (MIHMS) system will not be completed until 2012. Until the certification process is complete, the federal government will not participate at 75%. After the certification process has been completed by the Centers for Medicare and Medicaid Services, the department will be retroactively reimbursed for the difference in federal participation rates. It is anticipated that the retroactive reimbursement will occur in fiscal year 2011-12. | MaineCare Admin | General Fund | 1    | 530         |  | Y   | \$0         | \$3,884,463 |
| 73     | 129          | F-A-1929     | Adjusts funding for the continued operation of the Maine Integrated Health Management Solution (MIHMS) system through a transfer from the Information Technology program to the Bureau of Medical Services program.                        | This adjustment is necessary to properly account for funding the Unisys contract. The nature of the contract will shift to a business model once the new system goes live necessitating the transfer from the Information Technology account to the OMS administrative account.  | MaineCare Admin | General Fund | 1    | 547         |  | Y   | \$0         | \$3,545,210 |

| Line # | Program Code                                     | Initiative # | Initiative Text   | Initiative Justification  | Secondary Fund Class           | Unit Number | HHS Notes | HHS Vote | FY 10 Total | FY 11 Total |
|--------|--|--------------|---|---|--------------------------------|-------------|-----------|----------|-------------|-------------|
| 74     | Y16 Information Technology                       | F-A-1929     | Adjusts funding for the continued operation of the Maine Integrated Health Management Solution (MIHMS) system through a transfer from the Information Technology program to the Bureau of Medical Services program. | This adjustment is necessary to properly account for funding the Unisys contract. The nature of the contract will shift to a business model once the new system goes live necessitating the transfer from the Information Technology account to the OMS administrative account. | MaineCare - General Admin Fund | 1 910       |           | Y        | \$0         | \$3,645,250 |
| 75     | 139 State-Funded Foster Care/Adoption Assistance | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare - General Fund       | 1 585       |           | Y        | \$0         | \$65,679    |
| 77     | 147 Medical Care - Payments to Providers         | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare - General Fund       | 1 772       |           | Y        | \$0         | \$5,859,770 |
| 80     | 148 Nursing Facilities                           | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare - General Fund       | 1 804       |           | Y        | \$0         | \$2,145,716 |
| 82     | 202 Low-cost Drugs To Maine's Elderly            | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare - General Fund       | 1 831       |           | Y        | \$0         | \$112,042   |
| 83     | 705 Medicaid Services - Mental Retardation       | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare - General Fund       | 12 176      |           | Y        | \$0         | \$307,377   |
| 84     | 731 Mental Health Services - Child Medicaid      | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare - General Fund       | 17 184      |           | Y        | \$0         | \$1,152,072 |
| 85     | 732 Mental Health Services - Community Medicaid  | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare - General Fund       | 14 189      |           | Y        | \$0         | \$951,044   |
| 86     | 844 Office of Abuse - Medicaid Seed              | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare - General Fund       | 1 202       |           | Y        | \$0         | \$71,250    |
| 88     | 987 Mental Retardation Waiver - MaineCare        | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare - General Fund       | 16 213      |           | Y        | \$0         | \$2,514,469 |

| Line # | Program  | Initiative # | Initiative Text   | Initiative Justification  | Secondary Fund Class         | Unit Number | HHS Notes    | HHS Vote | FY 10 Total | FY 11 Total |
|--------|--|--------------|---|---|------------------------------|-------------|--------------|----------|-------------|-------------|
| 89     | Z008 Maternal and Child Health Block Grant Match | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare General Fund Cycle | 1 918       |              | Y        | \$0         | \$0         |
| 90     | Z009 MR/Elderly PNM/I Room and Board             | F-A-7267     | Reduces funding by paying the last MaineCare cycle payment of fiscal year 2010-11 in fiscal year 2011-12.   | Based on an average cycle of \$44 million, the department estimates it can defer almost \$18 million of General Fund costs by paying the last cycle of fiscal year 2010-11 in fiscal year 2011-12.  | MaineCare General Fund Cycle | 1 920       |              | Y        | \$0         | \$0         |
| 92     | 147 Medical Care - Payments to Providers         | F-A-7219     | Reduces funding due to a retroactive increase in the federal medical assistance percentage rate for the 4th quarter of state fiscal year 2008-09. | This initiative recognizes the retroactive FMAP change authorized by CMS. Based on Maine's unemployment rate, the State moved to Tier 3 of the enhanced rate calculation under the American Recovery and Reinvestment Act. The department had budgeted and paid claims for SFY09 Q4 at Tier 2 and recorded the adjustment on the federal reports and in the state accounting system after being notified by CMS of the rate change.   | MaineCare FMAP General Fund  | 1 744       |              | Y        | \$0         | \$0         |
| 93     | 148 Nursing Facilities                           | F-A-7219     | Reduces funding due to a retroactive increase in the federal medical assistance percentage rate for the 4th quarter of state fiscal year 2008-09. | This initiative recognizes the retroactive FMAP change authorized by CMS. Based on Maine's unemployment rate, the State moved to Tier 3 of the enhanced rate calculation under the American Recovery and Reinvestment Act. The department had budgeted and paid claims for SFY09 Q4 at Tier 2 and recorded the adjustment on the federal reports and in the state accounting system after being notified by CMS of the rate change.   | MaineCare FMAP General Fund  | 1 803       | See item 92. | Y        | \$0         | \$0         |
| 94     | 147 Medical Care - Payments to Providers         | F-A-7275     | Provides funding for the Medical Care - Payments to Providers and Nursing Facilities programs.  | In the curtailment order, \$7.5 million was reduced from MaineCare accounts to record the retroactive federal medical assistance percentage change. The state share decreased from 26.63% to 25.65% as the State was moving from Tier 2 enhanced to Tier 3 enhanced under the American Recovery and Reinvestment Act. This resulted in General Fund savings of \$7.5 million. Following discussions with the Department of Administrative and Financial Services, the department began to count on this \$7.5 million towards the balance of the MaineCare budget for FY 2010. Without the use of these funds the department will experience a shortfall in the MaineCare budget. | MaineCare FMAP General Fund  | 1 792       | See item 92. | Y        | \$6,782,239 | \$0         |

| Line # | Program Code | Initiative #                         | Initiative Text  | Initiative Justification  | Secondary Class        | Fund         | Unit | Line Number | HHS Notes   | HHS Vote                 | FY 10 Total | FY 11 Total   |
|--------|--------------|--------------------------------------|--|---|------------------------|--------------|------|-------------|---|--------------------------|-------------|---------------|
| 95     | 148          | Nursing Facilities                   | F-A-7275 Provides funding for the Medical Care - Payments to Providers and Nursing Facilities programs.  | In the curtailment order, \$7.5 million was reduced from MaineCare accounts to record the retroactive federal medical assistance percentage change. The state share decreased from 26.63% to 25.65% as the State was moving from Tier 2 enhanced to Tier 3 enhanced under the American Recovery and Reinvestment Act. This resulted in General Fund savings of \$7.5 million. Following discussions with the Department of Administrative and Financial Services, the department began to count on this \$7.5 million towards the balance of the MaineCare budget for FY 2010. Without the use of these funds the department will experience a shortfall in the MaineCare budget. | MaineCare<br>EMAP      | General Fund | 1    | 814         | See item 92.  | Y                        | \$682,231   | \$0           |
| 99     | 147          | Medical Care - Payments to Providers | F-A-7214 Reduces funding by reimbursing outpatient hospital services based on ambulatory patient classifications at 86% of Medicare rates.   | The Office of MaineCare Services and the Maine Hospital Association have worked over the last eight months to develop a budget neutral plan to eliminate cost reimbursement in favor of prospective inpatient diagnostic related groups (DRGs) and outpatient ambulatory patient classifications (APCs). Acute care hospitals are currently paid for outpatient services based on their cost. Medicare APCs are flat, prospectively determined payments based on groups of procedures and tests. By moving to APC rates based on 86% of Medicare, hospital payments would be reduced by \$3,400,000 for fiscal year 2010-11 (state and federal).                                  | MaineCare<br>Hospitals | General Fund | 1    | 745         | Dr. McDermott, Mayo Hospital in Dover-Foxcroft-paying 86% of Medicare will bring reimbursement rate below cost. Info requested on # inpatient and outpatient visits, lab use, mental health visits. Mary Mayhew, MHA, suggests impact may amount to \$20million, not \$3million. Information needed - is this cut only APC outpatient ambulatory care services? Information needed on relationship to item 105. | Y                        | \$0         | \$1,930,000   |
| 103    | 147          | Medical Care - Payments to Providers | F-A-7215 Adjusts funding to reflect an update of the hospital tax base year from 2006 to 2008 and the exclusion of municipally funded hospitals from the tax beginning July 1, 2010. | The department proposes to change the base year on which hospitals pay tax, moving the base year from 2006 to 2008. CP1 modifies amount from -\$10,770,945 to <b>-\$13,482,657 to reflect gross revenue impact.</b>   | MaineCare<br>Hospitals | General Fund | 1    | 751         |   | Y, 8-6, See Language AAA | \$0         | \$513,482,557 |
| 104    | 147          | Medical Care - Payments to Providers | F-A-7215 CP1 Provides funding to increase hospital reimbursement.  | Provides funding to increase hospital reimbursement. CP 1 added.  | MaineCare<br>Hospitals | General Fund | 1    | 751         | Federal allocation needed as well?  | Y, 8-6, See Language AAA | \$0         | \$2,711,612   |

| Line Prog # Code | Program                              | Initiative # | Initiative Text   | Initiative Justification   | Secondary Fund Class               | Unit | Line Number | HHS Notes | HHS Vote | FY 10 Total | FY 11 Total |
|------------------|--------------------------------------|--------------|---|--|------------------------------------|------|-------------|-----------|----------|-------------|-------------|
| 105 147          | Medical Care - Payments to Providers | F-A-7216     | Reduces funding by lowering hospital reimbursement by using a diagnosis-related groups methodology.                                   | The Office of MaineCare Services and the Maine Hospital Association have agreed upon a diagnosis related group (DRG) methodology. Currently each Maine hospital is paid a flat hospital-specific rate per discharge that is based on historical costs. The DRG plan will phase hospitals into a statewide rate. Each DRG is specific to the reason for the admission and weighted using Maine-specific data. The agreed upon DRG methodology is budget neutral to the rates set on July 1, 2009. This initiative reflects a reduction of approximately 4%. | MaineCare - General Hospitals Fund | 1    | 734         |           | Y        | \$0         | \$1,237,000 |
| 108 147          | Medical Care - Payments to Providers | F-A-7259     | Reduces funding by reducing reimbursement for inpatient-psychiatric hospitals services by \$500 per discharge.                        | The department proposes to reduce the discharge rate for inpatient psychiatric services by \$500 per discharge. This reduction will save approximately \$1,250,000 annually (state and federal dollars). CP 1 modifies initiative text.  | MaineCare - General Hospitals Fund | 1    | 755         |           | Y        | \$0         | \$303,875   |
| 117 147          | Medical Care - Payments to Providers | F-A-1914     | Provides funding to support changes in the eligibility criteria for the Children's Health Insurance Program.                          | Under eligibility guidelines the Parents' Expansion population is given a \$90 work related expense disregard from their countable income. Prior to the Children's Health Insurance Program eligibility rule change, this same disregard was not in place. As a result approximately 80 children were not covered by Medicaid when their parents were deemed eligible. This rule change was put in place to provide consistency between the eligibility requirements.  | MaineCare - General Other          | 1    | 702         |           | Y        | \$71,384    | \$71,384    |
| 119 147          | Medical Care - Payments to Providers | F-A-1916     | Provides funding for the increase in Medicare Part B premium payments.  | The State is required to pay Medicare Part B premiums for individuals enrolled in Qualified Medicare Beneficiary (QMB) or Specified Low-Income Medicare Beneficiary (SLMB) Medicare Savings Plans. The Medicare Part B premium is increasing as of January 1, 2010 from \$96.40 per month to \$110.50 per month.   | MaineCare - General Other          | 1    | 710         |           | Y        | \$1,741,141 | \$4,165,856 |
| 122 147          | Medical Care - Payments to Providers | F-A-1917     | Adjusts funding between fiscal years to enable the accelerated claims run-out process for the Maine Claims Management System (MeCMS). | The department contracted with actuaries to estimate the potential impact of accelerated claim submission rates during the run-out period on state fiscal budgets. One of the key components to the run-out strategy is to incent providers to submit claims promptly since the plan is to maintain MeCMS operations for only six months. This means that future fiscal year expenditures will be accelerated to earlier time periods.   | MaineCare - General Other          | 1    | 715         |           | Y        | \$6,622,154 | \$8,672,154 |

| Line # | Program                                  | Initiative # | Initiative Text  | Initiative Justification  | Secondary Fund Class              | Unit Number | HHS Notes  | HHS Vote       | FY 10 Total | FY 11 Total |
|--------|--|--------------|--|---|-----------------------------------|-------------|--|----------------|-------------|-------------|
| 127    | 147 Medical Care - Payments to Providers | F-A-7269     | Reduces funding by instituting several policy changes aimed at limiting the ability of individuals to shelter assets and then receive long-term care services.   | The department proposes several policy changes aimed at limiting the ability for individuals to "shelter" assets and then receive long term care services. Through rule change we will clarify and strengthen the definition and application of "income producing property," redefine the equity exclusion on primary residences and require verification of the cash value of irrevocable, non-assignable and actuarially sound annuities. These changes are anticipated to save approximately \$2,150,000 annually in General Fund dollars. | MaineCare - General Fund<br>Other | 1 778       | Leo Delicata, LSE- opposes, raises issues of ARRA prohibition on limiting eligibility. Information needed on proposal. Note: is amending language needed to provide statutory or rulemaking authority to DHHS? | Y, 10-2, 2/19. | \$0         | \$72,992    |
| 130    | 142 Office of Management and Budget      | F-A-7276     | Establishes 2 Auditor II positions in the Office of Management and Budget program to continue the department's focus on identifying fraud, waste and abuse. Position costs are allocated 50% General Fund in the Office of Management and Budget program and 50% Federal Expenditures Fund in the Bureau of Medical Services program. The work of the new staff will increase collections and allow for a reduction in the Medical Care - Payments to Providers program. | The two additional staff members will work with the Federal Government's Medicaid Integrity contractors and utilize the SURS component of MIHMS. This will allow the department to recover additional funding of approximately \$600,000 per auditor per year.  | MaineCare - General Fund<br>Other | 1 616       |  | Y              | \$0         | \$0         |
| 131    | 147 Medical Care - Payments to Providers | F-A-7276     | Establishes 2 Auditor II positions in the Office of Management and Budget program to continue the department's focus on identifying fraud, waste and abuse. Position costs are allocated 50% General Fund in the Office of Management and Budget program and 50% Federal Expenditures Fund in the Bureau of Medical Services program. The work of the new staff will increase collections and allow for a reduction in the Medical Care - Payments to Providers program. | The two additional staff members will work with the Federal Government's Medicaid Integrity contractors and utilize the SURS component of MIHMS. This will allow the department to recover additional funding of approximately \$600,000 per auditor per year.  | MaineCare - General Fund<br>Other | 1 793       | See item 130.  | Y              | \$0         | \$0         |

| Line # | Prog. Code | Program                              | Initiative # | Initiative Text  | Initiative Justification  | Secondary Fund Class      | Unit Number | HHS Notes   | HHS Vote                             | FY 10 Total | FY 11 Total |
|--------|------------|--------------------------------------|--------------|--|---|---------------------------|-------------|---|--------------------------------------|-------------|-------------|
| 133    | Y16T       | Information Technology               | F-A-7276     | Establishes 2 Auditor II positions in the Office of Management and Budget program to continue the department's focus on identifying fraud, waste and abuse. Position costs are allocated 50% General Fund in the Office of Management and Budget program and 50% Federal Expenditures Fund in the Bureau of Medical Services program. The work of the new staff will increase collections and allow for a reduction in the Medical Care - Payments to Providers program. | The two additional staff members will work with the Federal Government's Medicaid integrity contractors and utilize the SURS component of M/HMS. This will allow the department to recover additional funding of approximately \$600,000 per auditor per year.  | MaineCare, Other Fund     | 1           | 912. See item 130.  | Y                                    | \$0         | \$2,117     |
| 134    | 147        | Medical Care - Payments to Providers | F-A-7285     | Reduces funding by amending state estate recovery law as it relates to elective share and joint tenancy.   | The department proposes to amend Maine estate recovery law as it relates to elective share and joint tenancy. These changes are anticipated to save up to \$2,925,200 annually in General Fund dollars. This initiative would change the current statute so that it will not permit a denial of a spouse's rights to elective share merely because they are being support by public benefits. This change could potentially impact 6 cases and generate General Fund savings of approximately \$175,200 per year. This initiative also proposes changing the estate recovery statute to include joint tenancy in real property so long as the joint tenant is someone other than the surviving spouse. This change could impact 100 cases per year and generate General Fund savings of approximately \$2,750,000 per year. | MaineCare, Other Fund     | 1           | 799. See Language Part UU, Leo Delicata, LSE - opposes, characterizes proposal as limit on eligibility, potentially violating ARRA prohibition on new limitations in MaineCare. Depends on enactment of Part UU. Judiciary Committee rejected concept of UU in LD 365, enacting it as PL chapter 150 without provisions of UU, Leo Delicata, LSE- opposes, raises issues of ARRA prohibition on limiting eligibility. | Y, 9-3, 2/19. See language Part U.U. | \$0         | \$2,925,200 |
| 135    | 147        | Medical Care - Payments to Providers | F-A-1815     | Provides funding on a one-time basis to reimburse ambulatory care clinics for the administration of the H1N1 vaccine.  | Approximately 70,000 children will receive the H1N1 vaccine through their school systems. Changes have been made to the MaineCare benefits manual to allow schools to bill as ambulatory care clinics for the purpose of providing and billing for the administration of the vaccine. Vaccination requires 3 courses at an administration cost of \$5 per course. Approximately 53,000 Medicaid-eligible adults will receive the H1N1 vaccine through ambulatory care clinics. Adults require one course of the vaccine with an administration cost of \$5.   | MaineCare, Providers Fund | 1           | 705   | Y                                    | \$330,591   | \$0         |



| Line # | Program Code   | Initiative # | Initiative Text  | Initiative Justification  | Secondary Fund Class             | Unit | Line Number | HHS Notes   | HHS Vote                         | FY 10 Total | FY 11 Total |
|--------|--|--------------|--|---|----------------------------------|------|-------------|---|----------------------------------|-------------|-------------|
| 142    | 147 Medical Care - Payments to Providers                     | F-A-7260     | Reduces funding by modifying the methodology used to reimburse nonhospital-based physicians.   | The department proposes to revise the reimbursement methodology for physicians to save a total of \$5 million (state and federal) in fiscal year 2010-11. This will be consistent with the methodology used between Medicare facility/non-facility differential. For example, a radiologist reading an x-ray on hospital-owned equipment will be paid less than for the same reading on equipment the radiologist owns. The American Recovery and Reinvestment Act hold harmless provision prevents any cuts from current rates. This initiative will produce General Fund savings of \$1,547,000 in fiscal year 2010-11. | MaineCare General Providers Fund | 1    | 758         |   | Y                                | \$0         | \$1,547,500 |
| 159    | 130 General Assistance - Reimbursement to Cities and Towns   | F-A-1923     | Provides funding in the General Assistance - Reimbursement to Cities and Towns program for increased costs in benefits and offsets the appropriation with a reduction in the appropriation for the State Supplement to Federal Supplemental Security Income program. | The General Assistance program reimburses municipalities on an eligibility basis. When municipalities expend funds to clients, the state is required to reimburse them for the state's portion.   | Public Assistance Fund           | 1    | 565         | Questions raised about disproportionate impact on select communities, shifting of burden to municipal level. Sean Yardley suggested funding eligibility workers to assist people applying for Soc Sec disability to qualify, speeding recovery of federal repayment of paid out benefits. JO-read together with Part YY on GA reimbursement rate when municipal costs exceed .003% of state tax valuation. Governor Richard Phillips-Doyle, Passamaquoddy Pleasant Point Reservation impact equals 4 months of benefits costs. Maximum benefit is \$300/mo. Impact on Portland \$1.15-1.3million, on Bangor \$550,000. History of GA benefits and cuts requested. Rep Stuckey awaiting GA report from LD 1303 and 1375 from DHHS, due 2/15/10. Chris Hastert, MEJP, suggested applying for ARRA TANF Emergency Funds for added assistance costs for families with children. Rep Millett requested proposal to equalize burden among municipalities. | Y, as amended. See Attachment D. | \$880,000   | \$0         |
| 160    | 131 State Supplement to Federal Supplemental Security Income | F-A-1923     | Provides funding in the General Assistance - Reimbursement to Cities and Towns program for increased costs in benefits and offsets the appropriation with a reduction in the appropriation for the State Supplement to Federal Supplemental Security Income program. | The General Assistance program reimburses municipalities on an eligibility basis. When municipalities expend funds to clients, the state is required to reimburse them for the state's portion.   | Public Assistance Fund           | 1    | 567         |   | Y, as amended. See Attachment D. | \$560,000   | \$0         |

| Line # | Program  | Initiative # | Initiative Text  | Initiative Justification  | Secondary Fund Class   | Unit Line Number | HHS Notes  | HHS Vote | FY 10 Total  | FY 11 Total  |
|--------|--|--------------|--|---|------------------------|------------------|--|----------|--------------|--------------|
| 161    | 453 Bureau of Family Independence - Regional         | F-A-7212     | Reduces Adjusts funding from savings achieved through the administrative consolidation of the Low-income Home Energy Assistance program.                             | This initiative will coordinate administration of the federally funded Low Income Home Energy Assistance Program (LIHEAP) with the Maine State Housing Authority. Savings will be achieved by integrating administration of this program with other financial assistance programs already administered by DHHS, utilizing income information already on file at DHHS to establish eligibility. CPT1 moves from 2020-Office of Integrated Access and Support - Central Office and adds OSR Allocation  | Public Assistance Fund | 1 938            | Info needed on transfer of eligibility to DHHS. savings in MSHA, how these savings are generated for DHHS. | Y, 2/19. | \$0          | \$0          |
| 162    | 143 Health - Bureau of                               | F-A-7223     | Reduces funding not required for matching purposes.  | This initiative will reduce funding in General Fund accounts administered by the Maine Center for Disease Control and Prevention. This includes a reduction in fiscal year 2009-10 of \$400,000 that is available from amounts that carried into the account from fiscal year 2008-09 and fiscal year 2010-11 reductions in the Office of the Maine CDC Director, Division of Environmental Health, Infectious Disease, Chronic Disease and Public Health Systems, including the Health, Environmental Testing Lab and the Maternal and Child Health Unit of the Division of Family Health. | Public Health Fund     | 1 673            |  | Y        | \$0          | \$0          |
| 163    | 143 Health - Bureau of                               | F-A-7286     | Provides funding on a one-time basis for program operating costs for the Health - Bureau of program and the Division of Data, Research and Vital Statistics program. | This initiative provides one-time funding for operating costs for several programs administered by the Center for Disease Control. These programs include those for health inspections, radiation, vital records, subsurface waste and for the laboratory.  | Public Health Fund     | 1 675            | Info needed on whether programs will require additional funding in FY11.                                   | Y        | \$1,660,000  | \$0          |
| 164    | 2037 Division of Data, Research and Vital Statistics | F-A-7286     | Provides funding on a one-time basis for program operating costs for the Health - Bureau of program and the Division of Data, Research and Vital Statistics program. | This initiative provides one-time funding for operating costs for several programs administered by the Center for Disease Control. These programs include those for health inspections, radiation, vital records, subsurface waste and for the laboratory.  | Public Health Fund     | 1 1011           | See item 163.  | Y        | \$340,000    | \$0          |
|        |  |              |  |   |                        |                  |  |          | \$16,066,697 | \$16,066,697 |

| Line # | Program                                     | Initiative # | Initiative Text   | Initiative Justification  | Secondary Class        | Fund         | Unit | Line Number | HHS Notes  | HHS Vote | FY 10 Total | FY 11 Total |
|--------|---|--------------|---|---|------------------------|--------------|------|-------------|--|----------|-------------|-------------|
| 7      | Mental Health Services - Community Medicaid | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 2.1 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text. | Adult MH               | General Fund | 14   | 132         | Richard Farnsworth, Woodforde's Family Services, testified against, citing underpayment history. Much testimony against 10% rate cut. Ana Hicks, MEJP, questioned legality of cut in this manner, citing federal law on Medicaid service amount, scope and duration and ADA prohibition on limits that could lead to institutionalization of persons age 65 and over. Shelton House stated this will cause 350 persons to lose residential and group care. Bob Long, KY Behavioral Health, stated this cut and prior cuts will amount to 22% rate reduction. | N, 2/19  | \$0         | \$3,000,541 |
| 20     | Mental Health Services - Child Medicaid     | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 2.1 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text. | Children's Services    | General Fund | 17   | 186         | Info needed on how savings will be achieved, rate cut or fewer children served? WL? Question raised about compliance with Medicaid requirements for services to children. Therapeutic foster care parents said this would cause 6% rate decrease. Broad opposition to 10% cut. NFI North opposed 10% cut as applied to PNMI's.   | N, 2/19  | \$0         | \$1,544,951 |
| 29     | Mental Health Services - Community Medicaid | F-A-7282     | Reduces funding by decreasing room and board subsidies.   | Developmental Services provides rent subsidy to offset the room and board costs that are not sufficiently covered by the individuals' SSI or other benefits for group homes. The department proposes curtailing current contracts and reducing fiscal year 2010-11 contracts.   | Developmental Services | General Fund | 60   | 157         | Info needed on implementation, effect of cut. Brenda Leavitt, OHI and MACSP, testified against cut in room and board payment, saying OHI FY 09 deficit was \$127,624, this year already running a deficit in occupancy income of \$152,672.  | N, 2/19  | \$616,256   | \$1,022,357 |

| Line # | Program Code | Initiative #                           | Initiative Text  | Initiative Justification  | Secondary Fund Class   | Unit Number | HHS Notes   | HHS Vote | FY 10 Total | FY 11 Total  |
|--------|--------------|--|--|---|------------------------|-------------|---|----------|-------------|--------------|
| 34     | 122          | Mental Services - Community            | F-A-7205 Establishes 6 Social Services Program Specialist positions to administer shared living homes in an effort to centralize and reduce administrative costs. These positions are allocated 50% General Fund and 50% Other Special Revenue Funds in the Mental Retardation Services - Community program. | There are 452 individuals who reside in shared living homes. The current model is reimbursed through the comprehensive waiver who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. The 6 Social Services Program Specialist positions in this initiative will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead. | Developmental Services | 60          | 158 See item 33.  | N, 2/19  | \$0         | \$224,551    |
| 40     | 705          | Medicaid Services - Mental Retardation | F-A-7265 Reduces funding by eliminating separate reimbursement for day habilitation services for individuals residing in intermediate care facilities for persons with mental retardation or autism. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program.      | The department proposes to eliminate separate billing for day habilitation services to those residing in intermediate care facilities for persons with mental retardation or autism (ICF/MR). The ICF/MR facilities provide 24/7 daily care and should not be billed separately. This reduction will save \$743,573 in General Fund dollars. CP1 modifies initiative.   | Developmental Services | 12          | 175 Info needed on implementation and effect of cut. DHHS - discussing this initiative. Consumers testified in opposition, citing need for social outlets. Info needed on details of CP 1 proposal  | N, 2/19  | \$0         | \$743,573    |
| 41     | 705          | Medicaid Services - Mental Retardation | F-A-7272 Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services.  | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text.   | Developmental Services | 12          | 177 Info needed on implementation and effect of cut. Also need explanation of 4% cuts for MR versus 10% for non-exempt others. Consumers testified against. Cullen Ryan, for Statewide Homeless Council and Maine Coalition for Housing and Quality Services, testified against 10% cut in MaineCare, proposed tax increase. Charlene Kinnelly, MACSP, questions what adjustments DHHS will make to keep PNMH's afloat as they have no private or Medicare beds, all income is from MaineCare, which will be cut 10%. Note: If this cut, as described in the justification statement intention for MR accounts is only 4%, then the initiative description needs to be amended. | N, 2/19  | \$0         | \$34,000,000 |

| Line # | Prog. Code | Program                                 | Initiative # | Initiative Text   | Initiative Justification  | Secondary Fund Class   | Unit | Line# | HHS Notes   | HHS Vote            | FY 10 Total | FY 11 Total |
|--------|------------|---|--------------|---|---|------------------------|------|-------|---|---------------------|-------------|-------------|
| 43     | 987        | Mental Retardation Waiver - MaineCare   | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 2.1 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text. | Developmental Services | 16   | 214   | See Medicaid Services - MR above. Brenda Mitchell, Community Concepts, and Tyler Ingalls, consumer, testified to hardship caused by freeze on enrollment in waiver. Freeze causes increase in costs for persons receiving services. Linda LaRue Kenniston, Work First, suggested modifying administrative mandates, taking advantage of Voc Rehab opportunities and funding options. Wait list in Jan 2010 for comprehensive waiver was 118 persons priority 1 and 114 persons priority 2 and 3. Wait list for supports waiver was 58. Enrollment closed in both waivers. Note: If this cut as described in the justification statement intention for MR accounts, is only 4%, then the initiative description needs to be amended. | N, 2/19.            | \$0         | \$0         |
| 51     | Z043       | Consumer-directed Services              | F-A-7203     | Reduces funding from the Consumer-directed Services program.  | The department proposes to reduce the state-funded Consumer Directed Services program by reducing the number of hours per consumer and providing support consistent with MaineCare regulations.   | Elder Services         | 1    | 22    | Testimony opposed, from Alpha One and consumers, citing risk to care of lowering hours or wages of workers. Info requested on home and community care programs, use, payment levels. Testimony suggested consolidating programs and agencies. Leo Delicata, LSE - opposes. Many consumers testified against cuts for their workers Information needed on current and proposed hours and proposed service reductions.  | N, 10-0. 1 abstain. | \$5125,000  | \$5,000,000 |
| 52     | 420        | Long Term Care - Human Services         | F-A-7209     | Reduces funding by managing utilization of the homemakers program.  | The Independent Support Services Program serves approximately 2,000 people. The department will manage the utilization of this program which assists with meal preparation, grocery shopping and housekeeping.  | Elder Services         | 1    | 859   | Catholic Charities says cut will force 500 consumers off. Have 2000 consumers, paying 20% co-pay, eligible for 6-8 hrs/mo. Cost \$18.75/hr. \$112.50-150/mo. WM is 250 consumers. Prior cuts \$187,500 in FY09 from curtailment and \$1million in 2008. Leo Delicata, LSE - opposes cuts. Consumers testified against cuts and for workers.   | N                   | \$5,187,000 | \$3,750,000 |
| 53     | 140        | Office of Elder Services Central Office | F-A-7210     | Reduces funding for non-MaineCare adult day services and other supportive and administrative services.  | This initiative reduces funding for adult day services by reducing hours of support, reduces a contract for case aides by \$103,000 and reduces contracts for occupational therapy consultation.  | Elder Services         | 1    | 598   | Graham Newson, Me AAAA - 30 people will lose adult day services. Leo Delicata LSE - if 10 people who were getting services move to NF, savings will be offset by expenses.  | N                   | \$5,250,000 | \$3,775,000 |
| 54     | 420        | Long Term Care - Human Services         | F-A-7210     | Reduces funding for non-MaineCare adult day services and other supportive and administrative services.  | This initiative reduces funding for adult day services by reducing hours of support, reduces a contract for case aides by \$103,000 and reduces contracts for occupational therapy consultation.  | Elder Services         | 1    | 860   | See item 53.  | N                   | \$0         | \$225,000   |

| Line # | Program                                  | Initiative # | Initiative Text  | Initiative Justification   | Secondary Fund Class                 | Unit Number | HHS Notes   | HHS Vote                                    | FY 10 Total | FY 11 Total |
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| 55     | 202 Low-cost Drugs To Maine's Elderly    | F-A-7217     | Reduces funding for the pharmacy incentive payment.                                      | MaineCare pays a supplemental dispensing fee for prescriptions provided to members residing in rural areas in an attempt to assure continuing access to prescription services. The Pharmacy Incentive Payment dispensing fee ranges from \$0.55 to \$0.65 per prescription and changes on a quarterly basis to reflect the number of prescriptions filled in the prior quarter. This initiative will reduce the pharmacy incentive payment from an annual amount of \$2 million to \$1.57 million.       | Elder Services - General Fund        | 1           | 829 See testimony from pharmacies re dispensing fees in MAP account below, item 139. Information needed on proposal for incentive payments paid in addition to normal pharmacy \$3.35 per script dispensing fee.  | N   | \$0         | \$0         |
| 68     | 523 Disability Rights Center             | F-A-7004     | Reduces funding to maintain appropriations within available resources.                   | This initiative represents a one-time reduction of 5% to the program to maintain costs within available resources.   | HHS Other - General Fund             | 1           | 333 GF appropriation is \$130,766/yr. Information requested on total budget.  | N, 9-5                                      | \$0         | \$0         |
| 125    | 147 Medical Care - Payments to Providers | F-A-1919     | Provides funding for the increased cost of Medicare Part D payments.                     | The State of Maine participates in the Medicare Part D program with the federal government and contributes a phased-down percentage. Based on projections by the federal Centers for Medicare and Medicaid Services (CMS) and the growth of participation the department projects an increased need to fully fund the payments to CMS.   | MaineCare - Other - General Fund     | 1           | 720   | N, 2/19, DHHS says not needed.              | \$195,264   | \$390,528   |
| 126    | 147 Medical Care - Payments to Providers | F-A-7220     | Reduces funding by changing the disability determination cutoff from 45 days to 90 days. | A court decision in the 70s required that a disability determination be made in 45 days. After 45 days, the person becomes eligible for temporary coverage which is 100% state-funded. In the '80s, the federal law required the decision in 90 days and then required temporary coverage. We would petition the court to change the decision to mirror the federal law. There were 3,800 individuals who received temporary coverage who did not become eligible for a federally-funded coverage group. | MaineCare - Other - General Fund     | 1           | 750 MEJP - need to change court order in Polk case. Sean Yardley - municipalities pay Rx costs during waiting period. via GA, suggests funding eligibility workers to assist people applying for disability, speeding recovery of federal repayment of benefits. MEJP opposed. Kate Knox, American PT Assoc, testified against, citing need for timely services, particularly for children with injuries. Several consumers testified to need for care while application was pending. | N, See items #159 and 160 and Attachment D. | \$0         | \$0         |
| 139    | 147 Medical Care - Payments to Providers | F-A-7217     | Reduces funding for the pharmacy incentive payment.                                      | MaineCare pays a supplemental dispensing fee for prescriptions provided to members residing in rural areas in an attempt to assure continuing access to prescription services. The Pharmacy Incentive Payment dispensing fee ranges from \$0.55 to \$0.65 per prescription and changes on a quarterly basis to reflect the number of prescriptions filled in the prior quarter. This initiative will reduce the pharmacy incentive payment from an annual amount of \$2 million to \$1.57 million.       | MaineCare - Providers - General Fund | 1           | 739 Pharmacy reps cited no raise in dispensing fee in 10 years and effect of FirstData Bank and Medi-Span, which will cause 4% cut this year and save MaineCare \$1.4million. Also consider LD 1615 which would raise pharmacy reimbursement and retain dispensing fee at \$3.35. See item 55, Information needed on proposal for incentive payments paid in addition to normal pharmacy \$3.35 per script dispensing fee.  | N   | \$0         | \$0         |

| Line # | Program Code                             | Initiative # | Initiative Text  | Initiative Justification   | Secondary Fund Class             | Unit Number | HHS Notes  | HRS Vote            | FY 10 Total | FY 11 Total |
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| 144    | 147 Medical Care - Payments to Providers | F-A-7266     | Reduces funding by limiting reimbursement for laboratory and x-ray services to 15 per year.  | The department proposes to eliminate reimbursement for lab and x-ray visits/tests/procedures when a member has received over 15 services per year, except for HIV, neoplasms (cancer treatment), prenatal care, kidney failure and transplants. This initiative will produce General Fund savings of \$169,000 in fiscal year 2010-11.   | MaineCare General Providers Fund | 1           | 769 Questions raised about implementation, tracking visits, commercial insurance utilization controls. See opposition to benefits limits, item 5.  | N. 8-2. 1 abstain.  | \$0         |             |
| 146    | 147 Medical Care - Payments to Providers | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text | MaineCare General Providers Fund | 1           | 782 Questions raised about effect of 10% across the board cut. Mention of family planning 1-9 federal match rate. MSEA testified against for child care and Alpha One workers. Kate Knox, American PT Assoc. cited current rates paying 30% of cost and waiting lists for services. Kait Roe, MaineCare Advisory Council, cited requirement that MaineCare members get medically necessary care and risk that providers will discontinue participation in MaineCare. Andrew Bossie, Maine AIDS Alliance, opposed 10% cut in case management, as did patients and advocates and home care providers and alternative response child welfare services providers, transportation and child care providers. PNMI standardization. Info needed on 2008 and 2009 work done by DHHS and PNMI providers. Request made on positions of Plaintiffs and Court Master in AMHI consent decree case on this cut and others. Some consumer-directed services are MaineCare (sec 12 and 22). these will get 10% rate reduction. | N. 10-0. 1 abstain. | \$0         |             |



| Line # | Program   | Initiative # | Initiative Text  | Initiative Justification  | Secondary Fund Class | Unit | Line Number | HHS Notes  | HHS Vote   | FY 10 Total | FY 11 Total |
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| 165    | 228 Purchased Social Services                                 | F-A-7206     | Reduces funding for contracted services for a variety of community supports.   | Under this proposal certain contracts funded with General Fund appropriations would be reduced. These include substance abuse services and Maine Children's Trust.  | Social Services Fund | 1    | 851         | Cuts - In FY10 cut totals \$150,000. Crossroads for Women \$7,474. Maine Children's Trust \$41,795 (MCT also receives OSR from tax checkoff of \$48,300/yr). Family Planning \$89,879. homeless youth at Shaw House (Bangor) \$10,892. In FY11 cuts total \$550,000 for those marked E, no more funding in this account). Crossroads for Women (E) \$23,416. Maine Children's Trust (E) \$130,949 (MCT also receives OSR from tax checkoff of \$48,300/yr). Family Planning \$281,599. victim witness advocacy \$37,097 (E). domestic violence prevention \$42,129 (\$1.2million remains). homeless youth at Shaw House (E) (Bangor) \$34,000. Coalition against Sexual Assault, Maine Children's Trust and Family Planning testified against cut. | N  |             |             |
| 166    | 700 Driver Education and Evaluation Program - Substance Abuse | F-A-1930     | Reduces funding from the Driver Education and Evaluation Programs.   | This initiative reduces the appropriation for DEEP. The DEEP account has been over appropriated. This reduction will not negatively impact the program.   | Substance Abuse Fund | 1    | 171         | Info needed on history of balances and lapsing amounts.  | N. As result of streamlining bill, PL 462, account lacks sufficient funds for deappropriation. |             |             |
| 167    | 844 Office of Substance Abuse - Medicaid Seed                 | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text. | Substance Abuse Fund | 1    | 204         | Eric Haram, LADC, Mid Coast Hospital opposed, citing FFP, failure to look for program efficiencies, sustainability and access to services. Info requested on causes and incidence of addiction and cost to addict and society. Bob Long, KY Behavioral Health, says strict limits adversely affect delivery of evidence-based care. Must balance benefits and costs to achieve effective outcomes. Tom Allan, MASAP and Milestone Foundation, says will cause elimination of 5 positions (and loss of 13 beds for men and women and slower access to detox services, or loss of 20 beds), lost 7 positions in 2009 due to limits on enrollment of noncats. Milestone suggests raising alcohol tax.   | N, 2/19.   | \$0         |             |

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|--------|------------|------------------------------------|---|--|------------------------------------|------|-------------|--|--|-------------|-------------|
| 2      | 121        | Mental Health Services - Community | F-A-7200 Reduces funding for non-MaineCare services other than housing and medication management. | This initiative reduces funding that provides coverage for MaineCare-like services to people who are not eligible for MaineCare. The impact will be: 40 people will no longer receive ACT services, 13 people will no longer receive living supports, 364 people will no longer receive community integration and various contracts with advocacy and support organizations will be ended.   | Adult MH - General Fund            | 2    | 150         | See list of account 0121 cuts in FY10 and FY11 and list of mental health services retained. Much testimony against cuts to NAMI (\$55,000 in FY10 and \$220,000 in FY11). Funds pay training for volunteers. Testimony suggested working group to identify savings. Info requested on NAMI budget and volunteer hours value in Maine and other states and on NAMI budget. Testimony against cuts to non-MaineCare ACT services (\$146,000 in FY10 and \$585,000 in FY11) and Me Center on Death and sexual assault services funds cut of \$34,430 in FY10 and \$137,723 in FY11. Testimony against hospital management of crisis services (8 distinct mobile crisis programs cut \$1,350,000 in FY11).   | Split voting. See attachment A for separate votes on the 17 contracts in this initiative. See Item #17 for children's mobile crisis services, related to contract #16. | 751,341,364 | 754,579,450 |
| 17     | 136        | Mental Health Services - Children  | F-A-7224 Reduces funding for non-MaineCare children's crisis services.                            | This budget initiative will be undertaken in collaboration with the Office of Adult Mental Health Services in order to achieve the best efficiencies. Reductions are proposed for fiscal year 2009-10 by taking an across-the-board cut across the 6 community agencies that currently provide children's mobile crisis services. Funding reductions in fiscal year 2010-11 will be achieved by creating a statewide administrative structure. | Children's Services - General Fund | 7    | 165         | DHHS indicates they are talking with providers of crisis services. Info needed on implementation plan for cuts. In 2011 on breakdown of cuts and admin savings. One provider of MH services suggested increasing 10% across the board provider rate cut to 10.4%, using increased cut to pay for crisis services non-hospital based delivery system. Lynn Doby, Crisis and Counseling Services, suggests behavioral health provider tax (Bart Beattie, Providence Service Corp. suggests 5%), accounts to determine impact of 2% across the board reduction where there is no federal match (MAMHS endorses), and review of barriers to decreasing MH inpatient hospital admissions. Information needed on relationship to cut embedded in Item 2 adult mental health mobile crisis services, \$1,350,000 in FY11. | Voted 2/19. Y in FY10 and N in FY11. See also Item #2, contract #16 on adult mobile crisis services, voted N 2/19.   | 63,110,000  | 63,110,000  |

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|--------|-----------|---------------------------------------|---|--|------------------------|------|-------------|--|---|-------------|-------------|
| 33     | 987       | Mental Retardation Waiver - MaineCare | F-A-7204 Reduces funding by centralizing the administration of shared living services. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program.                             | There are 452 individuals who reside in 'shared living' homes. The current model reimbursed through the comprehensive waiver is designed to contract with qualified agencies who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. Six new employees will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead. | Developmental Services | 16   | 211         | Info needed on implementation, effect of cut. One-pager needed to explain savings and costs and joint admin in MH and MR programs. Supports Solutions (provides direct service, admin, case management in shared living) testified against, citing proposed caseload of 68 (DD Council says caseload average will be 75) and availability of emergency care. 21 agencies provide admin services. Subject to confirmation - shared living provider pay is \$30,000 from State and \$7000 from individual Joe Kuhn, BFLI, opposed and provided suggestions regarding reimbursement for shared living, cutting profit margin. Consumers and their families testified against State employees providing oversight, questioned whether 6 persons can provide appropriate oversight. Information requested on agencies that will be impacted most, that may go out of business. Input from Community Consent decree Court Master Sundrum and plaintiffs Consumer Advisory Board on all MR/DD cuts. Info requested on whether agencies can realize savings by pooled purchasing and contracting. Consumer Advisory Board questions affect | A, 2/19, for savings of \$652,551 in FY 11 based on systems redesign in administrative services, requires CMS approval of waiver renewal. | \$0         | \$652,551   |
| 38     | 987       | Mental Retardation Waiver - MaineCare | F-A-7262 Reduces funding by eliminating administrative and program-related costs in portions of high-cost budgets. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program. | For those high-cost individuals who require more than 1:1 staffing on a 24/7 basis, this proposal will reduce the rate of reimbursement for additional staff above 168 hours per week to salary and benefits only. This would eliminate all administrative and program-related costs. Currently there are 184 individuals with budgets that exceed \$200,000. This figure represents 6% of individuals on the comprehensive waiver. The waiver program expends approximately \$43,660,000 annually on these high-cost individuals; this reduction represents about 15% of the total waiver budget.   | Developmental Services | 16   | 212         | Info needed on implementation and effect of cut. Bonnie Jean Brooks, OHI and Consumer Advisory Board, suggests DHH is not in substantial compliance with consent decree, suggests that as a result of this budget class members and non-class colleagues will lose day programs, hours and days of community support services, NF placement and waiver slots.  | A, 2/19, as amended to reduce savings in FY 11 to \$261,875. Blipple to reflect reduction in administrative costs by 1/3.                 | \$0         | \$8,107,770 |

| Line # | Program                                  | Initiative # | Initiative Text   | Initiative Justification  | Secondary Fund Class | Unit Number | HHS Notes | HHS Vote  | FY 10 Total   | FY 11 Total |             |
|--------|--|--------------|---|---|----------------------|-------------|-----------|---|---|-------------|-------------|
| 58     | 148 Nursing Facilities                   | F-A-7272     | Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21. Residential services which are reduced by 4% and hospital, physician, pharmacy and dental services. | Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%. CP 1 modifies initiative text. | Elder Services       | 1           | 807       | Nathan Brown, nursing facility administrator from Lubec, testified against 10% cut, asked Legislators to consider social policy and social needs. Cedars testified cut to them would be \$315,000. Cedars anticipates Medicare cut of \$469,000. Kim Baker, Kindred HealthCare, testified to loss of \$2.4million, requiring 64 layoffs (10% of full-time staff). Craig Nelson, Aging Services of Me and NH, and Leo Delicata, LSE, stated that Medicaid law forbids across the board cuts based on state budget shortfalls w/o program specific analyses and findings that cuts will not adversely affect access and quality of services, 42 US Code sec. 1395a(a)(3)(A) and 42 CFR 440.230(b) and (c). Rick Erb, MHCA, stated NF already are underpaid by MaineCare \$16.20/day/resident. This cuts will add \$16.80/day/resident. No place left to offset cut w/o staffing cuts and layoffs. NF average 70% MaineCare. 15% each Medicare or private pay. MHCA anticipates Medicare cut to NF in federal health care reform. Kerry Sirosis, Mt St Joseph, NF will lose \$400,000 in 2010-11 due to cuts. Don Gross testified that 1 | A. 2/19, voted that up to \$500,000 may be available from changing assessment processes. One member has additional ideas and one member wants savings reinvested in long-term care. | \$0         | \$0         |
| 66     | 921 Fund for a Healthy Maine             |              | Transfers Fund for a Healthy Maine balance to General Fund  |   | General Fund         | 1           |           | See language Part M, Friends testified neither for nor against.   |   |             |             |
| 96     | 147 Medical Care - Payments to Providers | F-A-7213     | Reduces funding by changing the reimbursement to critical access hospitals for inpatient and outpatient services from 109% of the MaineCare allowable cost to 101% of the MaineCare allowable cost.                                   | There are 15 critical access hospitals in the State. Currently, MaineCare reimburses these hospitals at a rate above their costs based on statute. This initiative would reduce MaineCare's reimbursement from 109% to 101% of cost.  | MaineCare Hospitals  | 1           | 729       | See also notes on item 99 re: Mayo Hospital in Dover-Foxcroft. Depends on enactment of Part VV. Effective 4/1/10.   | Voted 7-2 to support some savings and endorse continued discussions among all interested persons. See language Part V V.  | \$1,514,710 | \$1,514,710 |
| 110    | 147 Medical Care - Payments to Providers | F-A-7261     | Reduces funding by limiting reimbursement for hospital outpatient hospital services to 15 per year except for HIV, cancer treatment, prenatal care, kidney failure and transplant services.   | The department proposes to eliminate reimbursement for hospital visits/tests/procedures when a member has received over 15 services per year, except for HIV, neoplasms (cancer treatment), prenatal care, kidney failure and transplants. This initiative will produce General Fund savings of \$1,480,214 in fiscal year 2010-11. CP 1 modifies initiative text. CP 1 modifies initiative text and adds ARRA impact.  | MaineCare Hospitals  | 1           | 761       | Dr. McDermott, Mayo Hospital, Dover-Foxcroft, Dr. Gagne, MMC, Portland, MaineCare Advisory Council, MEJP testified against service limits. Information requested on utilization management in commercial insurance. DHHHS indicates they are talking with Mayo Hospital, which will see a 15% MaineCare funding cut, about initiative and affect on the hospital.   | Voted 7-2 to support some savings and endorse continued discussions among all interested persons.   | \$0         | \$0         |

| Line # | Program   | Initiative # | Initiative Text  | Initiative Justification  | Secondary Fund Class             | Unit | Line Number | HHS Notes   | HHS Vote  | FY 10 Total | FY 11 Total |
|--------|---|--------------|--|---|----------------------------------|------|-------------|---|---|-------------|-------------|
| 112    | 147 Medical Care - Payments to Providers        | F-A-7264     | Reduces funding by limiting reimbursement to 5 inpatient hospital admissions per year.   | In 2008, 25,297 MaineCare members had hospital admissions ranging from 1 admission to 44 admissions. The department proposes to limit reimbursement to 5 hospital admissions. This limit would save the State approximately \$641,000 per year (General Fund). These members would be the focus of our care management efforts to avoid hospitalizations. | MaineCare Hospitals General Fund | 1    | 765         | Protection and Advocacy for Persons with Mental Illness (PAMI) (in Disability Rights Center) opposed limit on inpatient admissions. | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | \$0         |
| 114    | 732 Mental Health Services - Community Medicaid | F-A-7270     | Reduces funding by reimbursing mental health and substance abuse outpatient hospital services consistent with MaineCare nonhospital policy. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program. | This initiative will clarify the definition of hospital outpatient services to exclude services covered by Section 65 of the MaineCare Benefits Manual. Hospitals providing such services would submit claims on a HCFA 1500 and would be reimbursed according to the Section 65 fee schedule, the same as non-hospital providers of these services.      | MaineCare Hospitals General Fund | 14   | 191         |   | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | \$0         |
| 115    | 844 Office of Substance Abuse - Medicaid Seed   | F-A-7270     | Reduces funding by reimbursing mental health and substance abuse outpatient hospital services consistent with MaineCare nonhospital policy. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program. | This initiative will clarify the definition of hospital outpatient services to exclude services covered by Section 65 of the MaineCare Benefits Manual. Hospitals providing such services would submit claims on a HCFA 1500 and would be reimbursed according to the Section 65 fee schedule, the same as non-hospital providers of these services.      | MaineCare Hospitals General Fund | 1    | 203         |   | Voled 7-2 to support some savings and endorse continued discussions among all interested persons. | \$0         | \$0         |

JOSEPH C. BRANNIGAN, District 9, Chair  
LISA T. MARRACHÉ, District 25  
PETER MILLS, District 26



JANE ORBETON, Legislative Analyst  
ELIZABETH COOPER, Legislative Analyst  
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State of Maine  
ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE  
COMMITTEE ON HEALTH AND HUMAN SERVICES

February 24, 2010

Senator William Diamond  
Representative Emily Cain  
Members of the Joint Standing Committee on Appropriations and Financial Affairs

Dear Colleagues:

Like you, we, the undersigned members of this Committee, continue to struggle to find the best way forward in discharging our responsibilities of producing a constitutionally mandated balanced budget while insuring that critical services are available for our most vulnerable citizens. Together, we sat through many hours of testimony from Maine citizens rightly concerned about the dire impacts that reductions in services may have on their lives, their health and their independence.

We take this opportunity to directly address your request that we come forward with concrete proposals. In the area of home and community based services, we want to address the present budget shortfall with concrete and targeted solutions that will mitigate, insofar as possible, impacts of the cuts proposed by the Administration. We reject the proposal of a virtual across the board 10% cut as the most responsible way forward in finding this balance.

Our first choice would be to have any reductions to home and community based services restored through the utilization of increased revenues from additional federal resources that may become available or through other means such as the adjustment of our revenue projections in a recovering economy. Home and community based services are already significantly underfunded as evidenced by the growing waiting lists for virtually all these services. Overall, our long term care system must remain balanced between home and community based options and institutional options -- therefore if the budget for nursing facilities and residential care facilities is restored, the funds for home based care must also be restored or the entire system may fall further out of balance.

Failing the restoration of funds, there may be other targeted approaches that may be employed to identify and book the savings required to balance the state's budget. These approaches, however, are viewed with concern by some of the Department of Health and Human Services leadership because they may prove difficult to implement in a timely fashion in order to guarantee the needed budget savings for the upcoming fiscal year. Although we understand that concern, it does not outweigh our insistence that approaches must be pursued that will balance the budget without impacting the essential hours of direct services received by consumers or reduce the wages of already underpaid direct care workers. It is to that end that we suggest the following approaches.

First, we must continue to look for substantial savings by consolidating systems intake activities and particularly the use of multiple external contractors to perform certain eligibility and intake functions.

Estimates for these external administrative costs ranges between 10% and 13%, and this seems too high, especially if the administrative costs are maintained as essential direct services are cut. More than 40 other states have consolidated elements of this intake system that Maine is currently funding through a multiplicity of discrete contracts. Savings may be achieved by bringing this external administrative cost down to the range of 6% to 7%. As a Committee, we would not presume to tell the Department exactly how to accomplish this administrative reduction, but through the adjustment of the budget, the Department could be directed to redesign the intake system within the guidelines of a new, more reasonable level of external administrative expenditure.

Second, the last session directed the Department to undertake a LEAN process examination of the home and community based services system to identify new approaches that could improve outcomes for the people who receive the services as well as the direct care workers who deliver these vital services. That process identified some potential strategies for reorganizing the delivery system by consolidating 7 existing MaineCare and state-funded programs into 3 programs. While that exercise was undertaken to improve services to program recipients, such a program consolidation will necessitate major changes to the service delivery network. Through these program changes, informed by best practices nationally, savings may also be available -- especially by creating a standardized provider rate and including a wage floor for workers.

Both of these initiatives would require an extraordinary effort by the Department as well as cooperation from stakeholders, providers and the federal government to have them implemented in time to produce savings in the upcoming fiscal year. Should no other alternative be available, this targeted approach is preferable to the present proposal to impose what is essentially a 10% across the board cut to programs. Regardless of the timing, these two initiatives will continue to be a part of the ongoing agenda to improve the delivery of home and community based services in a sustainable fashion. As a Committee, we will continue to work with the Administration to further these ideas in order to promote sustainability as we likely face further budget challenges in the next few years. Whether these changes must be implemented this year, we will continue to work to make the long term care system more balanced and sustainable through such program examination and improvements.

Attached is a spreadsheet, developed through the Committee process, which is illustrative of the implementation of these approaches. Like you, we have had a difficult time determining the precise budget targets, since the Administration has presented an array of numbers in different formats -- sometimes weekly program costs, sometimes annualized costs, sometimes combined institutional and home based, sometimes just a portion of the home based services, sometimes federal and state expenditures combined, and sometimes state expenditures standing alone. As a result, we cannot offer a definitive column of figures with the exact dollar savings that can be booked from these initiatives. This spreadsheet illustrates the direction such an initiative could take, and we are ready to work with your more experienced budget analysts to develop these concepts into concrete savings, should that be necessary if additional revenues are not forthcoming and available.

We look forward to continuing to engage with you on this process and bring our understanding of the policy implications of the budget decisions we must all make together. Thank you for your consideration and on-going hard work on behalf of all Maine citizens.

Respectfully,

Rep. Matthew Peterson, Rep. James Campbell, Rep. Henry Joy, Rep. Meredith Strang-Burgess, Rep. Linda Sanborn, Rep. Sarah Lewin, Rep. Patricia Jones, Sen. Peter Mills



## Home and Community Based Services -- By the Numbers

### Current Budget

| Program  | Number Served | Annual Units | Cost per Unit | Total Cost    | 10% Reduction | Percentage of Total |
|--|---------------|--------------|---------------|---------------|---------------|---------------------|
| Private Duty Nursing (MECare State Plan)               | 1640          | 705744       | \$ 15.72      | \$ 11,094,296 | \$ 9,984,866  | 15%                 |
| Consumer Directed Services (MECare State Plan)         | 407           | 400972       | \$ 10.44      | \$ 4,186,148  | \$ 3,767,533  | 6%                  |
| Elder and Adults with Disability (MECare Waiver)       | 991           | 1771016      | \$ 15.72      | \$ 27,840,372 | \$ 25,056,334 | 38%                 |
| Physical Disabled -- Consumer Directed (MECare Waiver) | 135           | 479024       | \$ 10.44      | \$ 5,001,011  | \$ 4,500,910  | 7%                  |
| Home Based Care (State Funded)                         | 975           | 607308       | \$ 15.72      | \$ 9,546,882  | \$ 8,592,194  | 13%                 |
| Consumer Directed Home Based Care (State Funded)       | 126           | 221936       | \$ 10.44      | \$ 2,317,012  | \$ 2,085,311  | 3%                  |
| Independent Supports (State Funded Homemaker)          | 1800          | 172952       | \$ 18.75      | \$ 3,242,850  | \$ 2,918,565  | 4%                  |
| Subtotal   |               |              |               | \$ 63,228,569 | \$ 56,905,712 |                     |
| Assessment & Case Management                           |               |              |               | \$ 9,373,000  | \$ 8,435,700  | 13%                 |
| Totals   | 6074          | 4358952      |               | \$ 72,601,569 | \$ 65,341,412 |                     |

### Proposed Budget

| Program           | Number Served | Annual Units | Cost per Unit | Total Cost    |
|-------------------|---------------|--------------|---------------|---------------|
| MECare State Plan | 2047          | 1106716      | \$ 14.00      | \$ 15,494,024 |
| MECare Waiver     | 1126          | 2250040      | \$ 14.00      | \$ 31,500,560 |
| State Funded HCBS | 2901          | 1002196      | \$ 14.00      | \$ 14,030,744 |
| Subtotal          |               |              |               | \$ 61,025,328 |
| Intake            |               |              |               | \$ 4,316,084  |
| Totals            | 6074          | 4358952      |               | \$ 65,341,412 |

### Notes

All information on Rates and Utilization taken from DHHS Handout to HHS Committee dated 1/18/2010  
 Rate of \$15.72 for agency based services is a blended rate of 2/3rds PCA rate of \$14.98 and 1/3rd CNA rate of \$17.20

### Summary of Savings

|                           | DHHS Proposal | Alternative  |
|---------------------------|---------------|--------------|
| Administrative Reductions | \$ 937,300    | \$ 5,056,916 |
| Rate Reductions           | \$ 6,322,857  | \$ 2,203,241 |
| Total Reductions          | \$ 7,260,157  | \$ 7,260,157 |