

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

OME
11-00

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

Date: 3/19/14

Majority

L.D. 1578
(Filing No. H-704)

HEALTH AND HUMAN SERVICES

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1149, L.D. 1578, Bill, "An Act To Increase Health Security by Expanding Federally Funded Health Care for Maine People "

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'PART A

Sec. A-1. 22 MRSA §3174-G, sub-§1, ¶F, as amended by PL 2011, c. 380, Pt. KK, §2, is further amended to read:

F. A person 20 to 64 years of age who is not otherwise covered under paragraphs A to E when the person's family income is below or equal to 125% of the nonfarm income official poverty line, provided that the commissioner shall adjust the maximum eligibility level in accordance with the requirements of the paragraph.

(2) If the commissioner reasonably anticipates the cost of the program to exceed the budget of the population described in this paragraph, the commissioner shall lower the maximum eligibility level to the extent necessary to provide coverage to as many persons as possible within the program budget.

(3) The commissioner shall give at least 30 days' notice of the proposed change in maximum eligibility level to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over health and human services matters; ~~and~~

Sec. A-2. 22 MRSA §3174-G, sub-§1, ¶G, as enacted by PL 2011, c. 380, Pt. KK, §3, is amended to read:

G. A person who is a noncitizen legally admitted to the United States to the extent that coverage is allowable by federal law if the person is:

(1) A woman during her pregnancy and up to 60 days following delivery; or

COMMITTEE AMENDMENT

12 of 18

1 (2) A child under 21 years of age;

2 **Sec. A-3. 22 MRSA §3174-G, sub-§1, ¶¶H and I** are enacted to read:

3 H. Beginning July 1, 2014, a person 21 to 64 years of age who is not otherwise
4 eligible for medical assistance under this section, who qualifies for medical assistance
5 pursuant to 42 United States Code, Section 1396a(a)(10)(A)(i)(VIII) and whose
6 income is equal to or below 133% of the nonfarm income official poverty line plus
7 5% for the applicable family size as required by federal law. A person eligible for
8 medical assistance under this paragraph must receive the same coverage as is
9 provided to a person eligible under paragraph E; and

10 I. Beginning October 1, 2019, a person 19 or 20 years of age who is not otherwise
11 eligible for medical assistance under this section, who qualifies for medical assistance
12 pursuant to 42 United States Code, Section 1396a(a)(10)(A)(i)(VIII) and whose
13 income is equal to or below 133% of the nonfarm income official poverty line plus
14 5% for the applicable family size as required by federal law. A person eligible for
15 medical assistance under this paragraph must receive the same coverage as is
16 provided to a person eligible under paragraph E.

17 **Sec. A-4. Contingent repeal.** The Maine Revised Statutes, Title 22, section
18 3174-G, subsection 1, paragraphs H and I are repealed upon the earlier of the following:

- 19 1. The meeting of all of the following conditions:
 - 20 A. The enhanced Federal Medical Assistance Percentage with respect to amounts
 - 21 expended for medical assistance for newly eligible Medicaid individuals described in
 - 22 42 United States Code, Section 1396a(a)(10)(A)(i)(VIII) is reduced below 100% for
 - 23 any calendar quarter in 2014, 2015 or 2016;
 - 24 B. The reduction in the enhanced Federal Medical Assistance Percentage described in
 - 25 paragraph A has taken effect; and
 - 26 C. After the reduction of the enhanced Federal Medical Assistance Percentage as
 - 27 described in paragraphs A and B, the Legislature has convened and conducted a
 - 28 session of at least 30 calendar days; and
- 29 2. December 31, 2016.

30 **PART B**

31 **Sec. B-1. Research organization evaluation.** The Office of Fiscal and
32 Program Review shall contract with a nonpartisan research organization, referred to in
33 this section as "the research organization," to study the impact of the MaineCare
34 expansion authorized in the Maine Revised Statutes, Title 22, section 3174-G, subsection
35 1, paragraphs H and I on programs and services under this Part that do not currently
36 receive Federal Medical Assistance Percentage matching funds or do not qualify for
37 enhanced Federal Medical Assistance Percentage matching funds under the federal
38 Patient Protection and Affordable Care Act, 42 United States Code, Section 18001, et
39 seq., with the goal of identifying and maximizing General Fund savings. The
40 Commissioner of Health and Human Services, the Commissioner of Corrections and the
41 Executive Director of the State Board of Corrections shall provide to the research

1 organization information and assistance requested for preparation of the evaluation. In
2 evaluating the programs and services under this Part, the research organization shall at a
3 minimum evaluate the impact on the following programs and services: the state-funded
4 Mental Health Services - Community, Office of Substance Abuse and General Assistance
5 - Reimbursement to Cities and Towns programs; the elderly low-cost drug program under
6 Title 22, section 254-D; services provided for individuals 21 to 64 years of age who are
7 currently eligible for MaineCare under the medically needy program; services provided
8 under the State's demonstration project waiver under Section 1115 of the United States
9 Social Security Act, 42 United States Code, Section 301, et seq., for individuals with
10 HIV/AIDS; services provided for parents participating in family reunification activities;
11 services provided for disabled individuals 21 to 64 years of age with incomes below
12 139% of the federal poverty level as defined by the federal Department of Health and
13 Human Services and updated annually in the Federal Register under authority of 42
14 United States Code, Section 9902(2); services provided to individuals awaiting a
15 MaineCare disability determination who are subsequently determined disabled; services
16 provided to individuals who would have been considered eligible on the basis of a
17 disability but for whom the full determination process was not completed; and medical
18 services provided to persons in the care and custody of the Department of Corrections or
19 a county correctional facility. The research organization also shall examine the amount
20 of payment for services that hospitals received during fiscal years 2014-15 and 2015-16
21 as a result of the expansion of MaineCare eligibility pursuant to Title 22, section 3174-G,
22 subsection 1, paragraphs H and I. In addition, the research organization shall evaluate
23 any savings and the impact on health outcomes achieved through initiatives implemented
24 pursuant to the state innovation models initiative grant.

25 The research organization shall report twice, no later than February 15, 2015 and
26 February 15, 2016, respectively, to the joint standing committee of the Legislature having
27 jurisdiction over appropriations and financial affairs, the joint standing committee of the
28 Legislature having jurisdiction over health and human services matters and the joint
29 standing committee of the Legislature having jurisdiction over criminal justice and public
30 safety matters on the amount of General Fund savings resulting from the MaineCare
31 expansion authorized in Title 22, section 3174-G, subsection 1, paragraphs H and I and
32 by the research organization pursuant to this section. The reports must include the
33 amount of savings expected and realized during fiscal years 2014-15 and 2015-16 by
34 service area or program, the amount deposited in the MaineCare Stabilization Fund
35 pursuant to section 3 of this Part and the amount of savings projected to be achieved
36 through fiscal year 2020-21 by service area or program.

37 **Sec. B-2. Health insurance marketplace report.** The Office of Fiscal and
38 Program Review shall contract with a nonpartisan research organization to examine the
39 financial feasibility of providing health care coverage to newly eligible MaineCare
40 members through a health insurance marketplace in a manner similar to that of Medicaid
41 expansion coverage in Arkansas or Iowa and the feasibility of establishing a state basic
42 health program similar to Washington's basic health plan. The Office of Fiscal and
43 Program Review shall report by February 15, 2015 to the joint standing committee of the
44 Legislature having jurisdiction over health and human services matters regarding the
45 feasibility of providing health care coverage to newly eligible MaineCare members
46 through a health insurance marketplace in a manner similar to that of Medicaid expansion

12.4.8.

1 coverage in Arkansas or Iowa and the feasibility of establishing a state basic health
2 program similar to Washington's basic health plan.

3 **Sec. B-3. Calculation and transfer.** Notwithstanding any other provision of
4 law, the State Budget Officer shall calculate the amount of savings identified in this Part
5 that applies against each General Fund account statewide as a result of the expansion of
6 MaineCare eligibility authorized in the Maine Revised Statutes, Title 22, section 3174-G,
7 subsection 1, paragraphs H and I and shall transfer the amounts up to the amounts
8 specified in section 5 of this Part by financial order upon the approval of the Governor.
9 These transfers are considered adjustments to appropriations in fiscal year 2014-15. The
10 State Controller shall transfer any amounts identified under this Part greater than the
11 amounts specified in section 5 of this Part to the MaineCare Stabilization Fund
12 established under Title 22, section 3174-KK. The State Budget Officer shall provide a
13 report of the transferred amounts to the joint standing committee of the Legislature
14 having jurisdiction over appropriations and financial affairs no later than April 30, 2015
15 for fiscal year 2014-15 and shall submit adjustments to baseline budget requests totaling
16 no less than \$11,800,000 per year to reflect the continuation of the identified savings in
17 the 2016-2017 biennium.

18 **Sec. B-4. Review and responsibility.** Following receipt of the reports from the
19 research organization as required under section 1 of this Part, the joint standing
20 committee of the Legislature having jurisdiction over health and human services matters
21 shall review the information provided in the reports and shall determine if the net cost to
22 the General Fund of providing coverage under the MaineCare program to individuals
23 pursuant to the Maine Revised Statutes, Title 22, section 3174-G, subsection 1,
24 paragraphs H and I exceeds the savings to the General Fund, including any amount
25 deposited in the MaineCare Stabilization Fund pursuant to section 3 of this Part, due to
26 the expansion of coverage for those individuals. Following its review of the report
27 received on February 15, 2016 pursuant to section 2 of this Part the joint standing
28 committee may report out a bill to the Second Regular Session of the 127th Legislature
29 regarding determinations and conclusions of the report.

30 **Sec. B-5. Appropriations and allocations.** The following appropriations and
31 allocations are made.

32 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
33 **Executive Branch Departments and Independent Agencies - Statewide 0017**
34 Initiative: Deappropriates funds on a statewide basis for initial savings to be identified
35 under this Part in existing state programs that result from the expansion of MaineCare
36 eligibility.

37	GENERAL FUND	2013-14	2014-15
38	Unallocated	\$0	(\$5,900,000)
39			
40	GENERAL FUND TOTAL	\$0	(\$5,900,000)

A.M.S.

COMMITTEE AMENDMENT "A" to H.P. 1149, L.D. 1578

1	ADMINISTRATIVE AND FINANCIAL		
2	SERVICES, DEPARTMENT OF		
3	DEPARTMENT TOTALS	2013-14	2014-15
4			
5	GENERAL FUND	\$0	(\$5,900,000)
6			
7	DEPARTMENT TOTAL - ALL FUNDS	\$0	(\$5,900,000)

8 **LEGISLATURE**

9 **Legislature 0081**

10 Initiative: Provides one-time funding for the Office of Fiscal and Program Review to
11 contract with a nonpartisan research organization to evaluate the impact of the expansion
12 of MaineCare eligibility.

13	GENERAL FUND	2013-14	2014-15
14	All Other	\$0	\$100,000
15			
16	GENERAL FUND TOTAL	\$0	\$100,000

17	LEGISLATURE		
18	DEPARTMENT TOTALS	2013-14	2014-15
19			
20	GENERAL FUND	\$0	\$100,000
21			
22	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$100,000

23	SECTION TOTALS	2013-14	2014-15
24			
25	GENERAL FUND	\$0	(\$5,800,000)
26			
27	SECTION TOTAL - ALL FUNDS	\$0	(\$5,800,000)

28 **PART C**

29 **Sec. C-1. Appropriations and allocations.** The following appropriations and
30 allocations are made.

31 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**
32 **Medical Care - Payments to Providers 0147**

1 Initiative: Provides funds for the costs of MaineCare coverage through December 31,
 2 2016, for childless adults at or below 133% of the nonfarm income official poverty line
 3 plus 5% for the applicable family size as required by federal law.

4	FEDERAL EXPENDITURES FUND	2013-14	2014-15
5	All Other	\$0	\$327,657,166
6			
7	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$327,657,166</u>

8 **Office of Family Independence - District 0453**

9 Initiative: Provides funding for 6 Family Independence Unit Supervisor positions, 13
 10 Office Assistant II positions and 64 Eligibility Specialist positions in the Office of Family
 11 Independence - District program and for related All Other costs necessary to implement
 12 and administer the MaineCare eligibility changes. This assumes the Eligibility Specialist
 13 positions are funded 25% General Fund and 75% Other Special Revenue Funds and the
 14 other positions are funded 50% General Fund and 50% Other Special Revenue Funds.

15	GENERAL FUND	2013-14	2014-15
16	POSITIONS - LEGISLATIVE COUNT	0.000	83.000
17	Personal Services	\$0	\$1,909,557
18	All Other	\$0	\$95,105
19			
20	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$2,004,662</u>

21	OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
22	Personal Services	\$0	\$4,325,301
23	All Other	\$0	\$381,651
24			
25	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$4,706,952</u>

26 **Office of MaineCare Services 0129**

27 Initiative: Provides funding for the one-time costs of changes to the Maine Integrated
 28 Health Management Solution and the Automated Client Eligibility System as a result of
 29 expanding MaineCare eligibility.

30	GENERAL FUND	2013-14	2014-15
31	All Other	\$0	\$110,539
32			
33	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$110,539</u>

H. S.

COMMITTEE AMENDMENT "A" to H.P. 1149, L.D. 1578

1	FEDERAL EXPENDITURES FUND	2013-14	2014-15
2	All Other	\$0	\$994,852
3			
4	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$994,852</u>
5	HEALTH AND HUMAN SERVICES,		
6	DEPARTMENT OF (FORMERLY DHS)		
7	DEPARTMENT TOTALS	2013-14	2014-15
8			
9	GENERAL FUND	\$0	\$2,115,201
10	FEDERAL EXPENDITURES FUND	\$0	\$328,652,018
11	OTHER SPECIAL REVENUE FUNDS	\$0	\$4,706,952
12			
13	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$335,474,172</u>

14 **PART D**

15 **Sec. D-1. Written notices required regarding MaineCare coverage.** At the
16 time of enrolling in the MaineCare program a member who is eligible under the Maine
17 Revised Statutes, Title 22, section 3174-G, subsection 1, paragraph H or I, the
18 Department of Health and Human Services shall provide written notice that is readable at
19 the 6th-grade reading level to the member that the member's MaineCare coverage will
20 end no later than December 31, 2016 unless a law is passed to extend coverage past that
21 date.

22 **PART E**

23 **Sec. E-1. Implement reforms in programs for adults with intellectual**
24 **disabilities.** The Department of Health and Human Services, referred to in this Part as
25 "the department," shall implement the reforms identified in this section and shall transfer
26 all savings resulting from those reforms and adjust reimbursement rates for providers of
27 services as necessary to develop the funds that will reduce waiting lists for services under
28 the MaineCare Benefits Manual, Chapter 101, Chapter II, Section 21, Home and
29 Community Benefits for Members with Intellectual Disabilities or Autistic Disorder and
30 Section 29, Support Services for Adults with Intellectual Disabilities or Autistic Disorder
31 to less than 6 months by January 15, 2015.

32 1. The department shall implement the following reforms specified in Public Law
33 2013, chapter 368, Part SS, section 4, including implementing the plan for services called
34 for by that law:

- 35 A. Each individual will receive a strength-based standardized assessment of that
36 individual's strengths or needs to inform a person-centered plan;
- 37 B. Each individual will be assessed for the natural family and community support
38 networks potentially available to that individual;

COMMITTEE AMENDMENT

- 1 C. The State will establish a broad menu option model designed to match the amount
2 and kind of paid support services needed by each individual;
- 3 D. Each individual will have a designated community resource assistant whose job it
4 is to help individuals at any age navigate the local array of services;
- 5 E. The State will develop a thorough and accessible information repository;
- 6 F. The State will establish early support and planning for steps to transition
7 individuals from childhood services to adult services;
- 8 G. The State will undertake educational efforts in each neighborhood to educate and
9 foster inclusiveness and awareness of the community;
- 10 H. The State's developmental services will deliver only the paid services needed; and
11 I. Formal services will be based on individual and realistic needs.

12 2. The department shall carry out the directives and proceed to implement the
13 directives contained in the following laws:

- 14 A. In Resolve 2013, chapter 24, the directive to the department to add home support
15 as a covered service permitting a member to live as independently as possible in the
16 member's own home;
- 17 B. In Public Law 2013, chapter 368, Part NN, the directive to the department to
18 review rate methodology to reduce costs for those with extraordinarily high medical
19 needs; and
- 20 C. In Public Law 2013, chapter 368, Part SS, section 1, the directive to the
21 department to pursue waivers to use electronic technology to lessen dependence,
22 reduce the need for overnight support and eliminate unnecessary staffing costs.
- 23 3. The department shall consider the following reforms:
- 24 A. Decreasing the cost of health care to persons with intellectual disabilities by
25 implementing care management for long-term support service providers;
- 26 B. Increasing the number of occupants from one or 2 to 3 or 4 in small home support
27 residential programs in all cases where it can be done without encountering
28 behavioral impediments;
- 29 C. Expediting the filling of residential beds by ensuring that vacancies are prioritized
30 for individuals needing residential services;
- 31 D. Substituting foster homes for hourly staff care in those situations where
32 individuals require long-term or permanent living arrangements for daily support; and
- 33 E. Accelerating the teaching of independent living skills with a focus on populations
34 transitioning from school to adult living.

35 **Sec. E-2. Savings from reforms.** The savings generated by reforming the
36 MaineCare services for adults with intellectual disabilities and autism pursuant to section
37 1 of this Part must be used to serve those on the waiting list for services under the
38 MaineCare Benefits Manual, Chapter 101, Chapter II, Section 21, Home and Community
39 Benefits for Members with Intellectual Disabilities or Autistic Disorder and Section 29,
40 Support Services for Adults with Intellectual Disabilities or Autistic Disorder. The

1 department shall develop a plan with clear steps and a timeline to ensure that waiting lists
 2 for services under Sections 21 and 29 do not exceed 6 months by January 15, 2015, and
 3 shall present its plan to the Legislature by October 1, 2014.

4 **Sec. E-3. Emergency rule-making authority.** The department is authorized to
 5 adopt emergency rules under the Maine Revised Statutes, Title 5, sections 8054 and 8073
 6 to implement the provisions of this Part over which the department has subject matter
 7 jurisdiction without having to show that immediate adoption is necessary to avoid a threat
 8 to public health, safety or general welfare.

9 **PART F**

10 **Sec. F-1. Fraud investigation.** The Department of the Attorney General shall
 11 undertake an initiative to strengthen fraud investigation in the MaineCare program. The
 12 Department of the Attorney General shall establish 2 new positions within the Health
 13 Care Crimes Unit to investigate allegations of misuse of public funds in the MaineCare
 14 program and to aid the Attorney General in the prosecution of crimes and other legal
 15 actions related to misuse of public funds.

16 **Sec. F-2. Appropriations and allocations.** The following appropriations and
 17 allocations are made.

18 **ATTORNEY GENERAL, DEPARTMENT OF THE**
 19 **Administration - Attorney General 0310**

20 Initiative: Provides funds for 2 Attorney General Detective positions in the Health Care
 21 Crimes Unit.

22	FEDERAL EXPENDITURES FUND	2013-14	2014-15
23	POSITIONS - LEGISLATIVE COUNT	0.000	2.000
24	Personal Services	\$0	\$176,638
25	All Other	\$0	\$30,380
26			
27	FEDERAL EXPENDITURES FUND TOTAL	\$0	\$207,018
28			

29 **SUMMARY**

30 This amendment, which is the majority report of the committee, replaces the bill.
 31 The amendment contains the following provisions.

32 Part A expands medical coverage under the MaineCare program to adults who
 33 qualify under federal law with incomes up to 133% of the nonfarm income official
 34 poverty line, with the 5% federal income adjustment for family size, and qualifies Maine
 35 to receive federal funding for 100% of the cost of coverage for members who enroll
 36 under the expansion. Adults eligible are those 21 to 64 years of age, effective July 1,
 37 2014, and, if the expansion of MaineCare coverage is not repealed, adults 19 and 20 years
 38 of age, beginning October 1, 2019. The expansion of Medicaid eligibility contained in
 39 this Part is repealed the earlier of either December 31, 2016 or 3 circumstances occurring:

1 the enhanced Federal Medical Assistance Percentage for calendar years 2014 to 2016 is
2 reduced below certain stated levels; the reduced enhanced Federal Medical Assistance
3 Percentage has taken effect; and after the occurrence of the reduction of the enhanced
4 Federal Medical Assistance Percentage the Legislature has convened and conducted a
5 session of at least 30 calendar days.

6 Part B requires the Office of Fiscal and Program Review to contract with a
7 nonpartisan research organization to evaluate the financial feasibility of providing health
8 care coverage to newly eligible MaineCare members through the health insurance
9 marketplace, modeled after Medicaid expansion coverage in Arkansas or Iowa, and the
10 feasibility of establishing a state basic health program similar to Washington's basic
11 health plan and to report the findings of the evaluation to the joint standing committee of
12 the Legislature having jurisdiction over health and human services matters by February
13 15, 2015. It directs the Office of Fiscal and Program Review to contract for an
14 examination of the impact of the MaineCare expansion on programs and services that do
15 not currently receive Federal Medical Assistance Percentage matching funds or do not
16 qualify for enhanced Federal Medical Assistance Percentage matching funds under the
17 federal Patient Protection and Affordable Care Act, 42 United States Code, Section 18001
18 et seq., with the goal of identifying and maximizing General Fund savings. It requires that
19 the research organization report by February 15, 2015 and February 15, 2016 to the joint
20 standing committee of the Legislature having jurisdiction over appropriations and
21 financial affairs, the joint standing committee of the Legislature having jurisdiction over
22 health and human services matters and the joint standing committee of the Legislature
23 having jurisdiction over criminal justice and public safety matters on the amount of
24 General Fund savings resulting from the MaineCare expansion. The reports must include
25 the amount of savings expected and realized during fiscal years 2014-15 and 2015-16 by
26 service area or program. It requires the State Budget Officer to calculate the amount of
27 savings that applies against each General Fund account for all departments and agencies
28 from savings associated with the MaineCare expansion and to transfer the amounts by
29 financial order upon the approval of the Governor. It requires the State Controller to
30 transfer any remaining savings to the MaineCare Stabilization Fund. It requires the State
31 Budget Officer to provide a report of the transferred amounts to the joint standing
32 committee of the Legislature having jurisdiction over appropriations and financial affairs
33 no later than April 30, 2015 for fiscal year 2014-15 and to submit adjustments to baseline
34 budget requests totaling no less than \$11,800,000 per year to reflect the continuation of
35 the identified savings in the 2016-2017 biennium.

36 Part C provides funding for positions in the Department of Health and Human
37 Services, Office of Family Independence - District program.

38 Part D requires the department, when enrolling a MaineCare member who is eligible
39 under the Maine Revised Statutes, Title 22, section 3174-G, subsection 1, paragraph H or
40 I, to provide written notice that is readable at the 6th-grade reading level to the member
41 that the member's MaineCare coverage will end no later than December 31, 2016 unless a
42 law is passed to extend coverage past that date.

43 Part E directs the department to implement reforms specified in Public Law 2013,
44 chapter 368, Part SS, section 4, to carry out the directives and implement the initiatives
45 contained in Resolve 2013, chapter 24 and Public Law 2013, chapter 368, Part NN and
46 Part SS, section 1 and to consider 5 reforms. This Part requires that savings resulting

11 01 8.

1 from accomplishing the required reforms in programs for adults with intellectual
2 disabilities and autism be used to serve persons on the waiting lists for benefits under the
3 MaineCare Benefits Manual, Chapter 101, Chapter II, Section 21, Home and Community
4 Benefits for Members with Intellectual Disabilities or Autistic Disorder and Section 29,
5 Support Services for Adults with Intellectual Disabilities or Autistic Disorder. This Part
6 directs the department to develop a plan with clear steps and a timeline to ensure that
7 waiting lists for services under Sections 21 and 29 do not exceed 6 months by January 15,
8 2015, and to present the plan to the Legislature by October 1, 2014. This Part authorizes
9 the department to adopt emergency rules to accomplish the duties contained in law.

10 Part F directs the Department of the Attorney General to undertake an initiative to
11 strengthen fraud investigation in the MaineCare program. The Department of the
12 Attorney General is directed to establish 2 new positions within the Health Care Crimes
13 Unit to investigate allegations of misuse of public funds in the MaineCare program and to
14 aid the Attorney General in the prosecution of crimes and other legal actions related to
15 misuse of public funds.

16 **FISCAL NOTE REQUIRED**

17 **(See attached)**



126th MAINE LEGISLATURE

LD 1578

LR 2357(02)

An Act To Increase Health Security by Expanding Federally Funded Health Care for Maine People

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-704)

Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	(\$3,684,799)	(\$1,668,768)	\$3,292,400
Appropriations/Allocations				
General Fund	\$0	(\$3,684,799)	(\$1,668,768)	\$3,292,400
Federal Expenditures Fund	\$0	\$328,859,036	\$356,841,833	\$279,676,385
Other Special Revenue Funds	\$0	\$4,706,952	\$4,836,712	\$4,970,364
Revenue				
Other Special Revenue Funds	\$0	\$4,706,952	\$4,836,712	\$4,970,364

Fiscal Detail and Notes

This bill implements and adjusts funding related to the expansion of MaineCare under the federal Affordable Care Act.

Part B requires an evaluation of current state programs to identify savings that would result from the MaineCare expansion, identifies programs and populations that may realize savings and deappropriates funds statewide. The specific programs and amount of savings that will be realized and distributed to each program cannot be determined at this time. As a benchmark, the implementation of the MaineCare childless adults waiver effective October 2002 enrolled approximately 15,000 persons by the end of the first year and resulted in savings of \$1,800,000 that was subsequently deappropriated from the Mental Health Services - Community program in fiscal year 2002-03 (PL 2001 c.714). Part B includes a deappropriation of \$5,900,000 in 2014-15 in the Executive Branch Departments and Independent Agencies -Statewide program in the Department of Administrative and Financial Services for the initial savings to be identified in existing programs as a result of the expansion of MaineCare eligibility.

CA(H-704)

Part B includes an appropriation of \$100,000 in fiscal year 2014-15 for the Office of Fiscal and Program Review to contract with a nonpartisan research organization to evaluate the impact of the MaineCare expansion on State programs and to examine the financial feasibility of providing coverage through a Health Insurance Marketplace model. This level of contract funding will likely be insufficient to fund any detailed analysis of both the impact of MaineCare expansion and the financial feasibility of a Health Insurance Marketplace model. This level would not be sufficient to fund any actuarial analysis.

Part C of the bill includes General Fund appropriations of \$2,004,662 in 2014-15 for the Office of Family Independence - District program in the Department of Health and Human Services for the State share of the costs of 83 new positions to administer the MaineCare eligibility expansion. Funding for the new positions included in Part C reflect a 75% federal match for the 64 Eligibility Specialist positions and a 50% federal match for the other new positions. The funding for the Eligibility Specialist positions assumes a 700 person caseload for each new position. This is the target caseload the Department of Health and Human Services has identified for the Eligibility Specialist positions.

Part C also includes Federal Expenditures Fund allocations totaling \$327,657,166 in 2014-15 as shown below. The estimated federal allocations assume 100 percent federal matching funds through December 31, 2016 for the childless adult waiver population with incomes less than 134% of the federal poverty line. The fiscal note also assumes funding for the payment of three months of claims for this population after December 31, 2016 at the 95% enhanced federal match rate.

		FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Childless Adults @ or below 133% of FPL					
Estimated Population	55,965				
Est. Annual Cost Per Person	\$5,855	\$0	\$327,657,166	\$343,712,367	\$180,277,137
Assumed Federal Match		100.0%	100.0%	100.0%	100.0%
State Share of Costs		\$0	\$0	\$0	\$0
Childless Adults - CY 2017 Costs					
Estimated Cost		\$0	\$0	\$0	\$90,138,568
Assumed Federal Match		100.0%	100.0%	100.0%	95.0%
State Share of Costs		\$0	\$0	\$0	\$4,506,928

The bill does not include appropriations for the MaineCare costs of coverage for the parents population from 101% to 133% of the federal poverty line. Funding for coverage for this population through December 31, 2013 and for continued transitional MaineCare coverage was included in PL 2013, c. 368, the 2014-2015 Biennial Budget bill (LD 1509) at a General Fund funding level estimated at the time to be \$8,825,036 for fiscal year 2013-14 and \$9,319,223 for fiscal year 2014-15. PL 2011 c. 657 had originally eliminated coverage for this population effective September 30, 2012 contingent on federal approval of a waiver of federal Patient Protection and Affordable Care Act maintenance of effort requirements. Because the federal waiver was not granted, restoring the PL 2011, c. 657 deappropriation of \$5,866,833 (\$7,822,444 annualized) for this initiative was included in the adjustments to the MaineCare baseline in the 2014-2015 Biennial Budget.

The Department of Health and Human Services now estimates this population has a General Fund cost of approximately \$17 million per year, even though there have been no substantive program changes that would definitively explain a change in estimate of this magnitude. This fiscal note reflects the difference between the baseline adjustment used to prepare the 2014-2015 Biennial Budget and the department's latest estimate - see table below. If there are no subsequent MaineCare appropriations or deappropriations affecting this population during the 126th Legislature, continued funding for this population will be included in the 2016-2017 MaineCare biennial budget baseline. Any biennial 2016-2017 MaineCare budget savings to that baseline will be based on enacted adjustments made by the 127th Legislature.

CACH-704

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Parents (Between 101 and 133% of the Federal Poverty Line)				
Estimated Population	15,000			
2014-2015 Budget Baseline Adjustment	\$0	\$0	\$25,424,935	\$26,670,757
Assumed Federal Match	61.8%	61.6%	61.6%	61.6%
State Share of Costs	\$0	\$0	\$9,775,888	\$10,254,906
Updated DHHS Estimates	\$0	\$0	\$46,411,365	\$48,685,105
Assumed Federal Match	61.8%	61.6%	61.6%	61.6%
State Share of Costs	\$0	\$0	\$17,845,170	\$18,719,423
2016-2017 GF Baseline Adjustment	\$0	\$0	\$8,069,282	\$8,464,517

The fiscal note assumes any secondary impact on the numbers of persons participating in MaineCare as a result of this bill's expansion of MaineCare eligibility would be minimal based on the fact that most of the populations affected by the bill have been covered by MaineCare or on a MaineCare waitlist within the last year. The secondary impact on MaineCare participation as a result of implementation of the federal Patient Protection and Affordable Care Act (ACA) on MaineCare eligibility groups not addressed by the bill is not a result of this bill and therefore not included in this fiscal note. Any secondary ACA impact on the childless adult expansion population is assumed to have a minimal impact on General Fund costs given the 100% federal match. The secondary ACA impact on the parents expansion population could be significant and if it exceeds the growth assumptions for this population may result in additional General Fund costs beginning in fiscal year 2014-15. While the bill in aggregate assumes savings that could offset these General Fund costs, it does not include a mechanism to return savings to the MaineCare program until savings exceed the assumed statewide deappropriation included in this bill.

Additional costs and/or savings resulting from Part E requirements related to programs for adults with intellectual disabilities and autism are assumed to be absorbed within existing resources for existing programs.

Part F provides a Federal Expenditures Fund allocation of \$207,018 in fiscal year 2014-15 for the Department of the Attorney General for 2 Attorney General Detective positions in the Healthcare Crimes Unit.