Appropriations and Financial Affairs and Health and Human Services Committees
State Budget, February 21, 2007,
Community Health and Counseling Services, Bangor, Maine
By Joseph H. Pickering, Jr., Executive Director and NAMI family member

Senators Rotundo and Brannigan, Representatives Fischer and Perry, and Members of the Appropriations and Financial Affairs and Health and Human Services Committees: my name is Joseph H. Pickering, Jr. Thank you for the opportunity to speak before you. We are fortunate in America that we are able to speak before our legislators. Many people in many countries do not have such an opportunity. I am proud of the State of Maine. I realized I could never be a citizen of this great state having been born in Massachusetts nevertheless I am pleased at least to be a legal alien. It is a wonderful state with a wonderful commitment to the most vulnerable.

Just by way of background, for more than 28 years I've been the Executive Director of Community Health and Counseling Services and my organization is a member agency of MAMHS which represents the vast majority of mental health services provided in Maine. I am also a family member of NAMI Maine and most importantly I have a son who has schizophrenia and let me tell you that family experience with this brain disorder educates me more thoroughly and more profoundly then any other experience. I read in the newspapers legislators sometimes using the term "social services" to describe what is being provided to the severe and prolonged mentally ill as if they are a step below what might be offered in a hospital. Nothing can be further from the truth. The truth is that Maine needs a comprehensive array of mental health services and that MAMHS is the backbone of that system. I have worked in Maine for 28 years in this field and together with my experience as a family member let me share my perspective with you.

First, I have seen community based mental health services be on the chopping block many times over the years. The question is why? I think it partly has to do with the fact that our lobby is not as strong as other groups. This year the community mental health agencies are once more in the line of fire for much greater cuts. It is being stated by legislators, "we must find ways to control the costs of this program, so they don't crowd out all the other important investments our state must make". We must find greater efficiencies in our spending while protecting the social safety net for our state's most vulnerable citizens. The fact is that thousands of Maine's most vulnerable citizens are being protected by the services that you currently have in place and are about to substantially cut if you accept the recommendations of DHHS.

Second, Maine's Commissioner of the Department of Administrative and Financial Services had an Op Ed in the *Bangor Daily News* in which Ms. Wyke stated in part " The current level of spending on the general fund is unsustainable. Curbing spending in the programs state government directly administers is occurring, but it is not enough. We must harness efficiencies in all state programs in order to bring that spending in line with resources. We must address the major cost drivers including aid to local education." There are other major cost drivers that are largely overlooked and have been overlooked for years. Why aren't you focusing in on these major cost drivers? The number of state

employees in DHHS numbered 3974 positions in 2002 (DHS and BDS combined.) In 2007 there are 3973. This is information according to the State Office of Planning. That is a difference of one position. No community mental health agency would survive without making substantial changes over those five years. Many hundreds of hundreds of jobs have been cut as if they were without value to the Maine economy. Now the community mental health agencies are being called on to do much more but it is time for you legislators to be fair. Please make certain that services are cut last not cut first. State employment should not be preserved at any cost. The Maine Care billing experience has cost the state at least $56,000,000 dollars and there is a call now to bring in a private contractor but we understand that the 100 state jobs will be transferred elsewhere. Why?

Third, you are legitimately concerned about meeting future retirement benefit liabilities but Maine will not be able to continue with funding this liability unless you cap employment at the state level. The solution is not to simply continue to cuts services in the community. You can't keep digging a hole and expect to get out of it!

Fourth, Senator Bill Diamond co-chair of the Criminal Justice Committee stated that the nations prison overcrowding could not be meaningfully diminished without also dealing with mental health. With the closing of state mental health facilities and the downsizing of others, jails have become the holding pens for people who need treatment not incarceration. That is only a partly accurate statement. The truth is many of those people are served by Maine's community based mental health services. Give us some credit rather than constant cuts that destabilize the system further and force you legislators to build more jails for the severely mentally ill. You will not escape these costs by putting on blinders and saying we can't afford these very same services DHHS is recommending be cut. It surely is disingenuous when DHHS calls for "standardization of rates" but does not include itself even though they are more costly. Nor has it fully included itself and its services in managed care!

Fifth, drill down deep into DHHS statistics and recommendations. People's lives are on the line. CHCS did a Freedom of Access request dated May 16, 2006 on the accuracy of the claims of DHHS re: Maine rates for mental health services being the highest in the nation. Please find enclosed the information that was sent to us. The essence is that Maine's rates were not the highest in the nation. Maine's rates were not the highest in New England. By the way, had the DHHS included their own rates for the same services it would have found that state intensive case management cost per worker based on MaineCare cost based rates cost the Maine tax payer $101,898 and for the same position (Community Integration Worker) in the community it was $81,081, or a difference of more than $20,000 per worker.

Sixth, if current MaineCare reimbursement rates for community mental health agencies are not sustainable neither are the rates paid to Maine hospitals. According to the Health Care Financing review Medicaid Payment per Person served (beneficiary) by type of service and Area of Resident Fiscal Year 2003, Maine's hospitals receive the highest payment per discharge in the nation. The numbers are listed under Inpatient Hospital plus Outpatient Hospital added together and compared to the New England and National averages (also added together). Maine's hospitals are the highest in the United States and

D.C. and are 216% of the New England average and 240% of the national average. Another table # 110 shows that Maine paid Inpatient and Outpatient hospital services $553,000,000 which is $9,000,000 more than Connecticut, New Hampshire, Rhode Island, and Vermont combined. All of this data is from the Health Care Financing, Federal Fiscal Year 2003, Published in July 2006 by the Centers for Medicare and Medicaid Services (CMS) Furthermore, this does not take into account the $300,000,000 settlement.

Seventh, NAMI National gave Maine a ranking of B- which was one of the highest rankings in the nation but in one area it received a low ranking. It's lowest mark was a 0 out of 3 for workforce development & strategic plan and 0 out of 2 for cultural competence assessment & plan. DHHS really needs to do a much better job of doing effective planning because of the people that we mutually serve.

Eighth, the closing statement from the NAMI National report stated, "Maine must build upon its strengths, develop a consistent vision and the political will necessary to stop the budget cutting, and focus on filling the existing gaps in services. DHHS would have you tear more gaps in the services. A few days ago I spoke with a state representative who told me she did not have much experience in the Legislature but that she knew right from wrong. That's good enough for me. Please do what is right, not political.

Ninth, come visit your community mental health agencies and learn what is actually happening.

Thank you.

Joe Pickering Jr.

Maine Department of Health and Human Services

11 State House Station
Augusta, ME 04333-0011

Brenda M. Harvey
Commissioner

John Elias Baldacci
Governor

Marina E. Thibeau

June 9, 2006

Richard Israel
Community Health and Counseling Services
P. O. Box 425
Bangor, Maine 04402-0425

RE: Freedom of Access request dated May 16, 2006

Dear Mr. Israel:

Thank you for your clarifying letter dated May 31, 2006. I spoke to Commissioner Harvey, and she explained that her remarks were intended to compare Maine's rates for mental health services to those in the other New England states, not all states. She told me that her information was derived from our rate-setting unit's research. I spoke to Lisa Wilson who directs that unit, and she explained that her research was done almost two years ago. Unfortunately, she has not retained the notes and other materials collected at that time, but she did provide me with the enclosed spreadsheets that summarize what she was told when she contacted the other states. Apparently, she could obtain no information from our Rhode Island counterparts, and so she chose to include Arizona as another state for comparison because their children's mental health services seemed similar to Maine's.

Please let me know if there is any other information I can provide to you.

Sincerely,

Marina E. Thibeau

Marina E. Thibeau

Enclosures

OTHER STATES MEDICAID RATE and COST INFORMATION

		Other descriptions of services	MAINE Unit of Measure	MAINECARE RATES MEDIAN	NH	MA	VT	CT	RI	AZ
Outpatient										
	Individual	Diagnosis or Revaluation	1/4 hour	$24.15(AD)	$20.00	$21.40	$25.37	$64.41(EVENT)		
			1/4 hour	$24.67(CH)						
	Individual	Psych Assessment	1/4 hour	$24.15(AD)	$30.00					
			1/4 hour	$24.67(CH)	by psychiatrist					
	Individual	Psychological testing	1/4 hour	$24.15(AD)	$26.00					
			1/4 hour	$24.67(CH)						
	Individual	Therapy	1/4 hour	$24.15(AD)	$20.00	$17.28	$25.37	13.61		$20.00
			1/4 hour	$24.67(CH)						
	Family	Therapy session			$26.00	$17.28	$21.94	$53.51(EVENT)		
	Group	Therapy session	1/4 hour	$6.04(AD)	$8.00 per person	4.01 per person	10.18 per person	19.25 per person(EVENT)		
			1/4 hour	$6.17(CH)	MAX 12 persons	MAX 10 persons	MAX 10 persons			
Medication										
	Individual	routine	1/4 hour	$66.80(AD)	$20.00 (EVENT)	$32.09	$45.00 (EVENT)			
			1/4 hour	$67.34(CH)						$35.52
		comprehensive	1/4 hour	$66.80(AD)	$41.00 (EVENT)	$32.09	$45.00 (EVENT)			
			1/4 hour	$67.34(CH)						
		Injection administration			$8.00 (EVENT)					
	Group				EVENT					
				$16.20(AD)			$45.00 (EVENT)			
	Individual	Psych Evaluation, Comprehensive		$16.83(CH)						
		by MD or ARNP	1/4 hour	$66.80(AD)	$125.00 (EVENT)					
			1/4 hour	$67.34(CH)	EVENT					
	Individual	Psych Assessment	1/4 hour	$66.80(AD)	$30.00					
		by psychiatrist	1/4 hour	$67.34(CH)	by psychiatrist					
	Individual	Psychiatric Exam	1/4 hour	$66.80(AD)	$110.00 (EVENT)					
		by psychiatrist	1/4 hour	$67.34(CH)	by psychiatrist					
EMERGENCY & CRISIS INTERVENTION(RESOLUTION)										
			1/4 hour	$36.59-$74.54(AD)	$63.00	$19.37	$47.75			$27.00
			1/4 hour	$36.59-$85.06(CH)						$27.00
					limit 6 units per day; limit 6 Sessions	MAX 8 units per day (2 hours)	MAX $500 per day: limit 35 hrs per week			
CRISIS SUUPORT SERVICE–Out of HOME(Residential)			PER DIEM	$280.42-$546.26(AD)						$294.50
			PER DIEM	$492.07-$581.13(CH)						$294.50

OTHER STATES MEDICAID RATE and COST INFORMATION

		Other descriptions of services	MAINE Unit of Measure	MAINECARE RATES MEDIAN	NH	MA	VT	CT	RI	AZ
CASE MANAGEMENT										
	Children	TCM LEVEL 2	MONTHLY	$415.47	$396.00	$34.19(.5 hou	$20.24(.25 Hour)			$20.00Office(.25hrs)
		TCM LEVEL 1	MONTHLY	$240.74						$23.00 Out of Office(.25hrs)
CHILD & FAMILY COMMUNITY SUPPORT SERVICES										
	Individual- Lic clinical staff		1/4 hour	$23.75	$26.00	$14.20	$20.24			$23.00
	Individual- BA level staff		1/4 hour	$13.00	$26.00	$8.97				$6.25
	Family		1/4 hour			$16.82		53.51		
	Group		1/4 hour	$4.99	9 per person		7.49 per person	(per event)		
COMMUNITY INTEGRATION (ADULT)										
	Individual		1/4 hour	$21.71(AD)	$26.00	$12.14	$20.24			
	Individual	Case Management	1/4 hour	$21.71(AD)	$396(Monthly)	$17.10				$20.00 office
	Group	Specialized groups	1/4 hour	$10 per person	9 per person		7.49 per person			$23.00 Out of office
SKILL DEVELOPMENT										
	Individual		1/4 hour							$6.25

CONNECTICUT

SERVICES	DESCRIPTION	UNIT	RATE/ FEE	SERVICE CODE	MAINE SERVICE
Individual Therapy	20 to 30 minutes face to face	.5 hour	$27.22	90804	OUTPATIENT
Individual Therapy	45 to 50 minutes	1 hour	$45.24	90806	OUTPATIENT
Diagnostic Services	Psychiatric diagnostic interview examination	event	$64.41	90801	OUTPATIENT
Family Therapy	Family Psychotherapy with patient present	event	$53.51	90847	OUTPATIENT
Group Therapy		event	$19.25 per person	90853	OUTPATIENT - Group

MASS

SERVICES	DESCRIPTION	UNIT	RATE/ FEE	SERVICE CODE	MAINE SERVICE
ndividual Therapy	20 to 30 minutes face to face	.5 hour	$34.56	90804	OUTPATIENT
ndividual Therapy	45 to 50 minutes	1 hour	$69.12	90806	OUTPATIENT
Family Therapy	Family Psychotherapy with patient present	.5 hour	$34.56	90847	OUTPATIENT
Family Stablization Team	Master level Staff	.25 hour	$14.20		CFCSS
Family Stablization Team	Bachelor's level Staff	.25 hour	$8.97		CFCSS
Group Therapy	Per person rate not to exceed 10 public clients	.5 hour	8.01 per person	90853	OUTPATIENT - Group
Multiple Family Group Therapy	Multiple Family group Psychotherapy	.5 hour	8.01 per person	90849	OUTPATIENT - Group
Case Consultation		.5 hour	$34.19	90882	Case Management
Diagnostic Services	Psychiatric diagnostic interview examination	1 hour	$85.61	90801	OUTPATIENT
Reevaluation		1 hour	$85.61		OUTPATIENT
Medication Visits	Pharmacologic Management	15 min	$32.09	90862	MEDICATIONS
Emergency Services	8 unit max per day	15 min	$19.37	h2011	EMERGENCY & CRISIS INTERVENTION
Family Consultation	Interuptation Or explanation of Result of Psychiatric of medical exam	.5 hour	$33.64	90887	CFCSS
Community Consultation & Education		1 hour	$48.56		COMMUNITY SUPPORT

MASS

SERVICES	DESCRIPTION	UNIT	RATE/ FEE	SERVICE CODE	MAINE SERVICE

VERMONT

SERVICES	Service population	DESCRIPTION	UNIT	RATE/ FEE	SERVICE CODE	MAINE SERVICE
Diagnosis & Evaluation	Adult & Children	Face to face contact Min of 1/2 hour of service per session No more than 30 hours per fiscal year	.25 hour	$25.37	Z0,Z1,Z3,Z 4*22 or *32	Outpatient
Psychotherapy(Family Therapy)	Adult & Children	Face to face contact Min of 15 minutes to Max 2 hours per day of service No more than 7 hours per week	.25 hour	$21.94	Z0,Z1,Z3,Z 4*20 or *30	Outpatient or CFCSS
Group Therapy	Adult & Children	MAX 10 Consumers in group Min of 1hour to Max 2 hours per day of service No more than 10 hours per week	.25 hour	10.18 per person	Z0,Z1,Z3,Z 4*21or *31	Outpatient - Group
Chemotherapy- Medication and Medical Support and Consultation Services	Adult & Children	May be done in group setting Limited 1 session per day Min of 15 minutes duration No more than 4 sessions per week	EVENT	$45.00	Z0,Z1,Z3,Z 4*23 or *33	Medication
Emergency Care(Emergency / Crisis Assessment, Support and referral)	Adult & Children	Min of 15min to Max of $500.00 per day per client & no more than 35 hours per week Telephone service are reimbursable if continuous and lasts a min of 30 minutes	.25 hour	$47.75	Z0,Z1,Z3,Z 4*24 or *34	Emergency & Crisis intervention
Community Supports (Specialized Rehab Care)	Adult & Children	Max of $500.00 per client per day	.25 hour	$20.24	Z0,Z1,Z3,Z 4*37	COMMUNITY INTEGRATION(Adult) & CFCSS(child)
Community Supports (Specialized Group rehab)	Adult & Children	No more than 4 Individuals present Limited to 2 hours per day no more than 10 sessions per week per individual	.25 hour	7.49 per person	Z0,Z1,Z3,Z 4*38	COMMUNITY INTEGRATION(Adult) & CFCSS(child)
TARGETED CASE MANAGEMENT	Adult & Children	Min of 15 minutes per day per client	.25 hour	$20.24	Z0, Z4 *00	TCM

NEW HAMPSHIRE

SERVICES	Service population	DESCRIPTION	UNIT	RATE/ FEE		MAINE SERVICE
Medication Check, Routine	Adult & Children	Single procedure, clinical event or encounter	EVENT	$20.00	RN or MD, One per day	MEDICATION
Medication Check, Comprehensive	Adult & Children	include at least 3(Education, Instruction, Review or Check vital signs)	EVENT	$41.00	RN or MD, One per day	MEDICATION
Medication Check, Clozaril	Adult & Children	includes blood sample, WBC within limits, recording WBCand sending results, prescription, and ensuring supply appropriate	EVENT	$41.00	RN or MD, One per day	MEDICATION
Injection Administration	Adult & Children		EVENT	$8.00	RN or MD	
Psychotherapy, Individual	Adult & Children		15 min	$20.00		OUTPATIENT
Psychotherapy, Group	Adult & Children	NO more than 1 therapist to 12 members	15 min	$8.00 per person	Per Consumer	OUTPATIENT
Family therapy	Adult & Children		15 min	$26.00		OUTPATIENT or CFCSS
Emergency Services	Adult & Children	limited to 6 units per member per day to a maximum of 6 sessions per period of acute psychiatric crisis	15 min	$63.00		EMERGENCY & CRISIS INTERVENTION
Psych Evaluation, Comprehensive	Adult & Children	limit one session per recipient per 6 month period	EVENT	$125.00	performed by Psychiatrist or ARNP	OP or MED
Psychiatric Assessment	Adult & Children		15 min	$30.00	performed by Psychiatrist	OP or MED

NEW HAMPSHIRE

SERVICES	Service population	DESCRIPTION	UNIT	RATE/ FEE		MAINE SERVICE
Psychological testing	Adult & Children	limited to 24(15 min) units recipient per 6 month period	15 min	$26.00		OUTPATIENT
Psychiatric Exam	Adult & Children		event	$110.00	performed by Psychiatrist	OP or MED
MIMS, Individual	Adult & Children	Group therapeutic intervention, Med education, Symptom management,psychotherapeutic interaction, supportive counseling, crisis management, and family support	15 min	$26.00		COMMUNITY INTEGRATION or CFCSS
MIMS, Group	Adult & Children		15 min	9 per person		COMMUNITY INTEGRATION
MIMS, Per diem	Adult & Children	provided in community residence, nonhosiptal receiving facility, or acute psychiatric residential treatment	Per diem	$81.00		COMMUNITY INTEGRATION
MIMS, Crisis Care	Adult & Children		EVENT	$302.00		EMERGENCY & CRISIS INTERVENTION
Case Management	Adult & Children	at least one face to face contact in month	monthly	$396.00		CASE MANAGEMENT

ARIZONA

SERVICES	DESCRIPTION	UNIT	RATE/ FEE	SERVICE CODE	MAINE SERVICE
ndividual & family Behavioral Health Counseling - Home	Lic Prof provided in person's residence or out-of-office setting	.25 hour	$23.00	H0004	OUTPATIENT or CFCSS(Lic)
ndividual & family Behavioral Health Counseling - Office	Lic prof provided in provider's worksite	.25 hour	$20.00	H0004	OUTPATIENT or CFCSS(Lic)
Skills Training & Development	Skills training, development & psycho rehab living skills	.25 hour	$6.25	H2014	SK DEV(17) or CFCSS
Medication Management	20 to 30 minutes face to face	.5 hour	$71.04	90805	MED MGT
CASE MANAGEMENT -Office	Provided by BH professionals - BA staff	.25 hour	$20.00	T1016HN	CASE MGT & COM INT(17)
CASE MANAGEMENT - Out of Office	Provided by BH professionals - BA staff	.25 hour	$23.00	T1016HN	CASE MGT & COM INT(17)
CASE MANAGEMENT -Office	Provided by BH paraprofessionals and techinicans	.25 hour	$7.50	T1016HO	CASE MGT & COM INT(17)
CASE MANAGEMENT - Out of Office	Provided by BH paraprofessionals and techinicans	.25 hour	$10.50	T1016HO	CASE MGT & COM INT(17)
Crisis Intervention	Mobile	.25 hour	$27.00	H2011	CRISIS INTERVENTION
Crisis Intervention- 2 person team	Mobile- 2 person team	.25 hour	$34.50	H2011HT	CRISIS INTERVENTION

Adult Services	Unit of MaineCare billing	expected units per year	MaineCare billing rate - cap****	average case load size *	MaineCare rate based case load size	number of FTE's, including vacancies, statewide *	number of FTE's, not including vacancies, statewide *	cost per worker per year based on MaineCare-costbased rates
State Intensive Case Management (ICM)	month	12	$ 999.00	8.5	unknown	52	48	$ 101,898.00
Assertive Community Treatment (ACT) **	month	12	$ 1,271.57	9.04	7	51.5	45.5	$ 106,811.88
Intensive Community Integration (ICI) ***	month	12	$ 813.57	11.08	9	41	34	$ 87,865.56
Community Integration Worker (CIW)	hour	924	$ 87.75	17.35	not set	472.5	418.5	$ 81,081.00

Note: Cost per worker based on calculations in shaded fields

ICI FTE data only includes Region I

***per BDS report of April 2005**

**** Note - ACT rate includes psychiatry, psychiatric nursing, substance abuse, certified rehabilitation counselor and peer service - ACT is available 24/7 - not included in state ICM rate or CIW rate**

***** Note: ICI includes psychiatry, nursing per requirements - this rate covers also therapist and substance abuse clinician**

****** Not current caps. These are caps as of 2004.**

Children's Services			
CHCS Children's Targeted Case Management	day	$420.03	14
DHHS Children's Targeted Case Management	day	$660.00÷	unknown

Note: CHCS children's targeted case management is BDS children only NOT child welfare

Adult Service Descrpitions

- **ACT** service, which is a 24/7 team delivered service designed for persons with the most severe symptoms of their illness, living in the community, includes case management, psychiatry, psychiatric nursing, vocational and substance abuse staff and is predicated on a case load of 7 consumers per ACT Team staff (excluding psychiatry).

- **Intensive Community Integration Services** (ICIs), which also is a team delivered service but serving people who need ACT service without the 24/7 availability of ACT, includes case management, psychiatry and psychiatric nursing and is predicated on a case load of 9 consumers per FTE. Both ACT and ICI are monthly rates.

- **Community Integration Service** (CIS), which is designed to meet the needs of individuals who can sustain in the community with less support and/or for individuals living in areas of the state without the more intense services of ACT, is based on an hourly productivity expectation for the year. In this case, CIS staff are expected to produce 924 billable hours of service a year. Intensive Case Management (ICM) is a state delivered service, described in the same manner as Community Integration Service and including only case management on the service team. The required productivity expectations of state ICM is not known to us.

Children's Service Description

- **Targeted Case Management** (TCM) CHCS Targeted Case Management service focuses on the child and family to help them develop a service plan that fits their specific needs. Services provided under Targeted Case Management include:

    - Assessing the medical, social, educational needs of the child and family.
    - Identifying/planning services necessary to address the child and family needs.
    - Advocating/coordinating services on behalf of the child and family.
    - Monitoring/evaluating the services provided.
    - Assisting the family with discharge planning.

Table 111

Medicaid Payment per Person Served (Beneficiary), by Type of Service and Area of Residence: Fiscal Year 2003

Area of Residence	Total [1]	Inpatient Hospital	Nursing Facilities	Physician	Dental	Outpatient Hospital	Lab and X-Ray	Home Health	Prescribed Drugs
All Jurisdictions	$4,487	$6,047	$23,882	$403	$305	$596	$161	$3,720	$1,293
Boston: Region I	6,304	6,520	29,350	355	281	840	212	12,261	1,587
Connecticut	6,764	3,881	29,910	322	189	751	126	8,226	3,362
Maine	6,750	14,339	24,301	343	278	1,589	115	2,077	1,135
Massachusetts	6,134	5,931	28,036	370	318	644	284	19,638	1,465
New Hampshire	7,015	3,405	26,994	340	221	904	79	2,474	1,364
Rhode Island	6,629	9,003	42,140	271	221	767	121	3,095	2,450
Vermont	4,149	4,248	22,841	372	263	628	148	2,225	1,121
New York: Region II	7,637	8,306	32,498	250	404	847	117	3,445	1,628
New Jersey	6,349	5,446	27,762	220	257	1,667	106	3,783	2,543
New York	7,912	8,674	33,751	254	415	749	118	3,420	1,525
Puerto Rico	---	---	---	---	---	---	---	---	---
Virgin Islands	---	---	---	---	---	---	---	---	---
Philadelphia: Region III	5,422	6,245	25,793	363	285	566	135	9,393	1,617
Delaware	5,006	4,635	40,894	380	448	457	104	3,872	1,113
District of Columbia	7,585	8,188	23,783	533	105	668	163	7,144	2,406
Maryland	6,060	10,111	31,581	449	157	1,092	102	29,228	1,854
Pennsylvania	5,489	5,029	25,121	237	217	270	154	5,802	1,903
Virginia	4,484	3,794	20,532	368	239	531	119	1,101	1,558
West Virginia	4,904	7,242	28,222	467	365	577	132	655	1,190
Atlanta: Region IV	3,849	4,676	21,630	491	330	593	120	2,042	1,222
Alabama	4,447	2,934	26,633	396	293	191	127	527	1,017
Florida	4,048	5,341	21,674	409	217	427	113	2,565	1,575
Georgia	3,093	4,970	19,880	501	382	783	97	3,201	821
Kentucky	4,196	4,426	22,036	425	297	775	147	2,822	1,355
Mississippi	3,582	2,897	22,895	413	249	432	73	1,129	1,038
North Carolina	4,602	4,346	20,161	505	389	817	133	2,803	1,243
South Carolina	4,229	7,601	22,812	509	340	406	84	1,499	911
Tennessee	3,156	3,175	20,023	658	408	692	136	2,371	1,508

See footnotes at end of table.

Table 111—Continued
Medicaid Payment per Person Served (Beneficiary), by Type of Service and Area of Residence: Fiscal Year 2003

Area of Residence	Total [1]	Inpatient Hospital	Nursing Facilities	Physician	Dental	Outpatient Hospital	Lab and X-Ray	Home Health	Prescribed Drugs
Chicago: Region V	$5,096	$8,451	$23,103	$376	$252	$565	$177	$2,438	$1,324
Illinois	5,131	15,196	18,615	338	190	697	103	2,939	1,025
Indiana	4,410	4,150	18,544	342	416	469	108	6,756	1,426
Michigan	4,076	6,798	26,417	348	186	534	83	2,391	1,235
Minnesota	7,044	6,847	23,514	557	289	514	82	1,175	1,671
Ohio	5,756	5,967	27,221	422	265	484	326	3,218	1,488
Wisconsin	4,729	5,191	22,499	266	202	557	133	6,039	1,686
Dallas: Region VI	3,682	4,009	16,177	413	272	405	240	1,796	843
Arkansas	3,151	2,201	18,355	514	258	294	123	1,126	753
Louisiana	3,632	3,810	17,776	350	187	538	115	2,485	1,033
New Mexico	4,498	7,979	22,046	335	468	815	99	970	1,082
Oklahoma	3,401	2,965	19,585	313	412	265	69	1,414	960
Texas	3,750	4,420	14,430	434	280	353	306	1,795	776
Kansas City: Region VII	4,619	4,550	19,490	364	278	593	96	2,935	1,492
Iowa	5,518	4,519	19,565	453	283	667	103	3,416	1,259
Kansas	5,103	4,593	18,504	413	341	235	78	2,705	1,420
Missouri	4,075	4,475	18,241	227	243	665	67	1,056	1,809
Nebraska	5,055	4,819	25,038	481	278	596	193	3,837	1,008
Denver: Region VIII	4,739	5,272	21,662	403	316	598	114	6,468	1,103
Colorado	4,941	5,915	21,211	241	367	542	149	8,487	1,275
Montana	4,858	3,938	23,443	519	308	553	73	1,171	1,164
North Dakota	5,795	4,110	24,624	125	298	842	75	1,504	1,182
South Dakota	4,385	4,894	20,010	441	325	698	112	1,781	1,066
Utah	4,208	5,988	20,049	369	234	640	74	3,866	914
Wyoming	4,874	4,293	21,639	580	358	444	161	2,097	906

See footnotes at end of table.

Table 111—Continued
Medicaid Payment per Person Served (Beneficiary), by Type of Service and Area of Residence: Fiscal Year 2003

Area of Residence	Total [1]	Inpatient Hospital	Nursing Facilities	Physician	Dental	Outpatient Hospital	Lab and X-Ray	Home Health	Prescribed Drugs
San Francisco: Region IX	$2,855	$7,021	$24,984	$337	$314	$437	$158	$5,178	$1,413
Arizona	3,237	4,141	20,923	686	338	2,697	213	1,650	544
California	2,770	7,256	25,023	334	262	305	132	4,244	1,401
Hawaii	3,605	5,179	25,321	453	295	580	153	14,393	2,309
Nevada	3,998	7,226	24,414	141	539	554	809	4,518	1,434
Seattle: Region X	4,203	7,136	21,434	452	310	705	118	1,408	1,223
Alaska	7,190	9,378	66,580	748	498	962	244	2,796	1,321
Idaho	4,486	5,439	21,563	412	341	510	116	1,906	1,028
Oregon	3,537	3,743	18,123	349	157	578	102	843	1,047
Washington	4,200	9,135	21,091	446	288	767	90	1,215	1,362

[1]The total includes payments for all types of services reported on the HCFA Form-2082 and the Medicaid Statistical Information System (MSIS), some not shown separately.

NOTES: Beginning fiscal year 1998, capitated premiums for Medicaid eligibles enrolled in managed care plans were included in this series as a component of the total payment per person served (beneficiary).

SOURCES: Centers for Medicare & Medicaid Services, Center for Medicaid and State Operations: Medicaid Statistical Information System (MSIS); data development by the Office of Research, Development, and Information.

Maine

Grade: B-

Category Grades

Infrastructure	D
Information Access	C-
Services	B
Recovery Supports	A

Spending, Income, & Rankings

PC Spending/Rank	$127.92	7
PC Income	$27,373	35
Total MH Spending/Rank	$167 *(in millions)*	33
Suicide Rank		20

Recent Innovations

- Mental health parity law
- Inclusion of full mental health parity for the uninsured in Dirigo Health
- Progress in improving conditions in county jails

Urgent Needs

- Reduce long waitlists for community services
- Relieve crowding in emergency rooms
- Access to crisis and inpatient beds
- Mitigate the too-rapid implementation of managed care

Maine is a study in contradictions. On the one hand, the state has wisely invested in practices that are proven and cost-effective, such as Assertive Community Treatment (ACT) and supported employment. It has also been a leader in including mental health parity in its program to expand access to health insurance. However, budget cuts have contributed to significant gaps in services and poor outcomes. Additional cuts would reverse Maine's progress and devastate an already stretched system of mental healthcare.

Maine has taken several positive steps to improve its mental health services. Most importantly, it has invested in evidence-based practices (EBPs). It received a federal grant to expand use of these cost-effective services in the state. Both the Department of Corrections and the Department of Mental Health are focused on EBPs and are moving the Medicaid system to reimburse these services. The state has seven ACT teams, 24 supported employment programs, three Family Psychoeducation programs, and 59 programs for integrated mental illness and substance abuse treatment. The state has also developed a Peer Recovery Specialist training program.

Maine has also been a leader in the fight for insurance parity, passing one of the first state parity laws. Governor Baldacci deserves credit for including full parity in Dirigo Health, his signature program to provide health insurance to the uninsured. Many states have been shortsighted in limiting or excluding mental health care in their efforts to expand eligibility for insurance. The governor's recognition that true health insurance must include mental as well as physical healthcare should be a model for other states. Baldacci has also positioned Maine to be the first state to provide wrap-around services for the Mainers who were dual eligible for Medicare as part of the Medicare Part D rollout.

Maine has worked to reduce involvement of individuals with mental illness in the criminal justice system, which is a significant problem in the state. The Department of Behavioral and Developmental Services has developed a joint action plan with the Department of Corrections, and they have begun implementation. The state also has 11 jail diversion programs.

Despite these examples of progress, significant problems remain. Funding for mental health services has declined. Most recently, the legislature proposed slashing

$26 million from the adult and children's community mental health services. At the same time, individuals with serious mental illness in Maine are experiencing long waitlists for community services, crowded emergency rooms, involvement with the criminal justice system, and a shortage of state hospital beds, with hospitals turning away, in the first four months of 2005, 57 percent of those eligible for admission. This is a significant increase over 2004's average of 46 percent of those seeking admission.

The state mental health and Medicaid agencies are working on a transition from a cost-based, fee-for-service model to a behavioral, managed care design. It remains to be seen whether the new system for managed care can lead to cost savings without compromising quality. Significant concerns exist as to the quality of the planning and the timeline for implementation of this significant change. Advocates fear an undue emphasis on cost containment in the state in response to a study by the Muskie Institute claiming that behavioral health costs are rising much more rapidly than other healthcare costs. Although the methodology has been criticized, the report has been used by some policymakers to support cutting funds.

Budget cuts could also jeopardize the state's ability to meet its legal obligations. The Maine mental health system continues to operate under a 1990 consent decree to address deficiencies in the care of current and future patients at Augusta Mental Health Institute (AMHI). AMHI has been replaced by a new facility, but the case continues because the judge found that the state was not meeting class members' needs for community, emergency, and hospital services. The court master and others have expressed concern about the impact of managed care on the mental health system.

Maine has been a leader in both parity and employing evidence-based practices. But the state still falls short in providing an adequate mental health system. If the implementation of managed care focuses on cost cutting, the situation will get worse. For progress to continue, Maine must build upon its strengths, develop a consistent vision and the political will necessary to stop the budget cutting, and focus on filling the existing gaps in services.

Score Card: MAINE

Category		Criteria	Actual Score	Possible Score
Infrastructure	1	Prioritizing services -- Severe & Persistent Mental Illnesses (SPMI)	3	3
	2	Demonstrated innovation	2	2
	3	Health disparities program	2	2
	4	Studies regarding causes of death	1	2
	5	Workforce development & strategic plan	0	3
	6	Insurance parity for mental illness	1	2
	7	Cultural competence assessment & plan	0	2
	8	Unduplicated count & breakdown by race/ethnicity	2	2
Information Access	9	Consumer & Family Test Drive (CFTD)	7	10
	10	Consumer & Family (CF) monitoring teams	1	2
	11	Written mandate ensuring CF input	2	2
	12	CF involvement in EBP implementation	1	2
Services	13	No outpatient mental health co-pays	3	3
	14	No restrictions for antipsychotic medications	3	3
	15	No restrictions on prescriptions per month	3	3
	16	Benefit-service identification program	1	2
	17	Interagency cooperation between SMHA & Medicaid	2	2
	18	Wraparound coverage for benzodiazepines	2	2
	19	Feedback to doctors on prescribing patterns	2	2
	20	Integrated dual diagnosis treatment policies	3	3
	21	Assertive Community Treatment (ACT) teams	1	3
	22	Written ACT fidelity standards	2	2
	23	Family psychoeducation - SAMHSA model	1	2
	24	Illness management & recovery - SAMHSA model	1	2
	25	Jail diversion programs	3	3
	26	Restoration of benefits post-incarceration	1	2
	27	Psychiatric inpatient bed access	1	3
	28	Reduction in use of restraints & seclusion	2	3
	29	Accreditation of state hospitals/facilities	2	2
	30	Olmstead Plan	2	2
Recovery Supports	31	Supported employment	3	3
	32	SMHA-Division of Vocational Rehab	2	2
	33	Supported housing	3	4
	34	Efforts to reduce waiting lists for residential services	3	3
	35	Housing services coordinator	2	2
	36	Written plan for long-term housing needs	2	2
	37	Co-occurring disorders--No Wrong Door	2	2
	38	Financial-logistical support Family-to-Family education program	2	2
	39	Financial-logistical support Peer-to-Peer education program	2	2

February 23, 2007

To: Members of the Appropriations and Health and Human Services Committees
Re: Nursing Home Funding and LD 499

This letter discusses the funding needs of rural nursing homes, such as Katahdin Nursing Home (KNH), and the related ownership costs. KNH is a 36 bed skilled and long term care facility. Located in Millinocket, there aren't many self-paying, privately funded residents (we average about 2 out of 36 residents). Also, because the local hospital has 11 swing beds (licensed for both acute and skilled nursing) we rarely get any Medicare skilled patients. This is important because privately funded and Medicare skilled patients are the main opportunity we have to make a profit. Profits are necessary to offset MaineCare losses and to provide funds to upgrade the facility. For my fiscal year ended June 30, 2006, I made $9,222 in profit on $2.2 million of total business. As of December 31, 2006 (6 months of operation) I'm showing a loss of $7,245. My limited self-pay and Medicare profits are no longer able to offset MaineCare losses. If funding isn't increased and maintained, I'll have to close the facility in a few years.

When I purchased KNH in 1982 (25 years ago), things were much different. Medicaid paid the cost of delivering services to their clients. We didn't make any profit or suffer any losses on Medicaid residents. In addition, owners were fairly compensated for the use of their facilities. I have listed below some of the cost of ownership payments that have changed since then:

Owner's Equity: In 1982, Medicaid recognized the importance of owners leaving profits in the business in order to fund improvements and therefore paid 10% interest annually on the owner's equity (inflation was about 12% then). Today, owners are not paid any return on equity so there is no incentive to use owner funds to improve a facility. The Owner's Equity payment should be returned as an incentive for owners to invest in facility upgrades, new technology, etc.

Depreciation Recapture: In 1982, Medicaid reimbursed the costs of your building and equipment over their useful lives through depreciation. They still do that today. What is different is that if you sold your facility in 1982, the new owner's depreciation reimbursement was based on the State-approved sale price. The seller had ability to make a profit on the sale if he had well maintained his facility. Today, if the seller makes a profit on a sale, he has to return to Medicaid all profit made on selling his equipment and a portion of any profit made on the building. I bought KNH in 1982 for $950,000 and since then have added $1.6 million of improvements for a total cost of $2.5 million. If I were to sell at that cost, I'd have to pay back to Medicaid about $725,000. That's like buying a house in 1982 for $50,000, making $75,000 of improvements, renting it out for 25 years, and then selling it for $125,000 (get no inflation) and the tenant wants back $38,000. Does this sound fair to you? The tenant may argue that he helped fund your purchase and improvements, but he got to live there! MaineCare demands some of their money back after you've provided services to their clients for years. Would you like to do business like that?

My 76 year old father would like to sell me his nursing homes in Caribou and Presque Isle. I am reluctant to buy them because I've been trying to sell my nursing home in Millinocket for over six years with no luck because no businessman in his right mind wants to buy into this system. Do you want to buy a $2.5 million facility that makes $9,200 profit per year (or is losing money)? If

To: The Honorable Peggy Rotunda and The Honorable Jeremy Fischer
Chairs, Appropriations and Financial Affairs Committee, and,
The Honorable Joseph Brannigan and The Honorable Anne Perry
Chairs, Health and Human Services Committee

RE: Testimony on Governor's Baldacci's proposed FY 2008 biennium budget

Date: February 21, 2007

My name is Bill Hager. I live in Wells Maine, work with children and families throughout York County and like many of the other folks giving testimony today, I have been asked to do so by the Coalition of Child Care Provider organizations referred to as "The Alliance for Children's Care, Education and Supporting Services" or "ACCESS")

Specifically, I am speaking today of the importance of maintaining the scheduled increase for Child Care resulting from the Maine Tobacco Settlement.

I would encourage that this increase continue to be dedicated for these purposes, as it is now in the Governor's proposed budget.

While I am here to speak specifically about the Child Care/Head Start component of the Fund, I would also note that the cornerstone of the Fund For a Health Maine has been the fact that it has allowed us to maintain a full constellation of community based services essential to the health and well being of Maine Families

Some Key Points:

1) There has been some question, over the years, as to why Child Care has been included in this group of services, aimed at health related issues. The reason that Child Care was originally included in this fund is simply that, based upon all current best science and research, quality early care and education has a direct impact on a child's health and well being. Because this science has really been popularized only in the last 10 – 15 years, it may be counter intuitive for some. However, the data is clear that a positive early childhood experience is essential for lifelong health and well being. The Fund For A Healthy Maine has allowed us to
    a. Maintain the availability of child care subsidies for low income working families, and
    b. Maintain our ability to increase the both the quality and availability of this care (via profession development and community outreach.)
2) This is important, simply because modern economic realities for Maine Families. The number of children needing out of home care has increased at a regular pace. Two key numbers to consider.

a. Currently, we project that 75% of all children under the age of 12 will need some form of care to enable parents to work, and this number is projected to increase to 85% by 2010.
b. A recently published study showed that, of all the children born in 2001, 50% were in some form of out of home care by 9 months of age.

3) There is documented lack of licensed child care in Maine to provide care for these children. Even more significant, there is a dramatic lack of "quality child care" (as defined by the Maine Department of Health and Human Services) for children requiring this care.
4) Overall, our public investment in the young child is not at all consistent with either need. Whether this "need" is defined by the number of children in jeopardy from inadequate care OR if defined by the importance of this time in life.
5) Because of funding decisions at the Federal and State levels, in most areas, overall funding for Early Care and Education has not increased in the past 6 years. Because of increased cost of delivering services, our ability to meet community need in has area has actually DECREASED over this time.

Once again, I would encourage this committee to approve this scheduled increase, and that, in accordance with the original legislation creating this fund, this be used to supplement current levels of services, not supplant appropriations from the general fund.

I thank you for the opportunity to provide this testimony, and I would be more than happy to answer any questions and/or concerns.

Sincerely,

Bill Hager
Executive Director,
Child Care Services of York County
P.O. Box 512
Sanford ME 04073
207 -324-6025
billhager@ccsyc.org

The Fund for a Healthy Maine:
History and Vision

- **The Fund for a Healthy Maine (FHM) was created by the Maine Legislature in 1999 to receive and disburse Maine's annual tobacco settlement payments.** Maine participated in the national tobacco settlement because many Maine people have suffered disease and death as a result of tobacco use.

- **The Fund for a Healthy Maine is not taxpayer dollars.** Because of its special source, the FHM has a special purpose – to prevent disease and promote good health among Maine children and adults.

- **The Legislature established eight categories of health program spending allowable:**
  - Smoking prevention, cessation and control activities, including, but not limited to, reducing smoking among the children of the State;
  - Prenatal and young children's care, including home visits and support for parents of children from birth to 6 years of age;
  - Child care for children up to 15 years of age, including after-school care;
  - Health care for children and adults, maximizing to the extent possible federal matching funds;
  - Prescription drugs for adults who are elderly or disabled, maximizing to the extent possible federal matching funds;
  - Dental and oral health care to low-income persons who lack adequate dental coverage;
  - Substance abuse prevention and treatment; and
  - Comprehensive school health programs, including school-based health centers.

By statute, allocations from the FHM must be used to supplement, not supplant, appropriations from the General Fund. It was intended that the FHM be used for new and expanded programs. The FHM was not intended to be used to balance the state budget or spent on non-health-related programs.

- **Unfortunately, these provisions have been ignored in the past and the FHM has lost 23% of its resources ($94 million) to the General Fund** – a significant missed investment in getting and keeping Maine people healthy.

- **FHM revenue is not part of Maine's General Fund account.** It originates in the FHM account and only ends up in the General Fund if lawmakers divert it there. FHM program allocations are made directly from the FHM account and do not pass through the General Fund.

- **The Maine Legislature decides how FHM dollars are allocated within the eight FHM categories.** FHM allocations and diversions are currently decided as part of the state's overall budget process.

- **The Fund for a Healthy Maine is a once-in-a-lifetime opportunity for Maine.** The FHM marks the first time non-tax dollars have been available to invest in preventing disease and promoting good health. These investments more than pay for themselves in health cost savings (by some estimates, an average return of $7 for every $1 spent).

- **The Fund for a Healthy Maine lays the foundation for a sustainable, affordable health care system.** Promoting health and preventing disease are the best investment we can make in keeping health costs down.

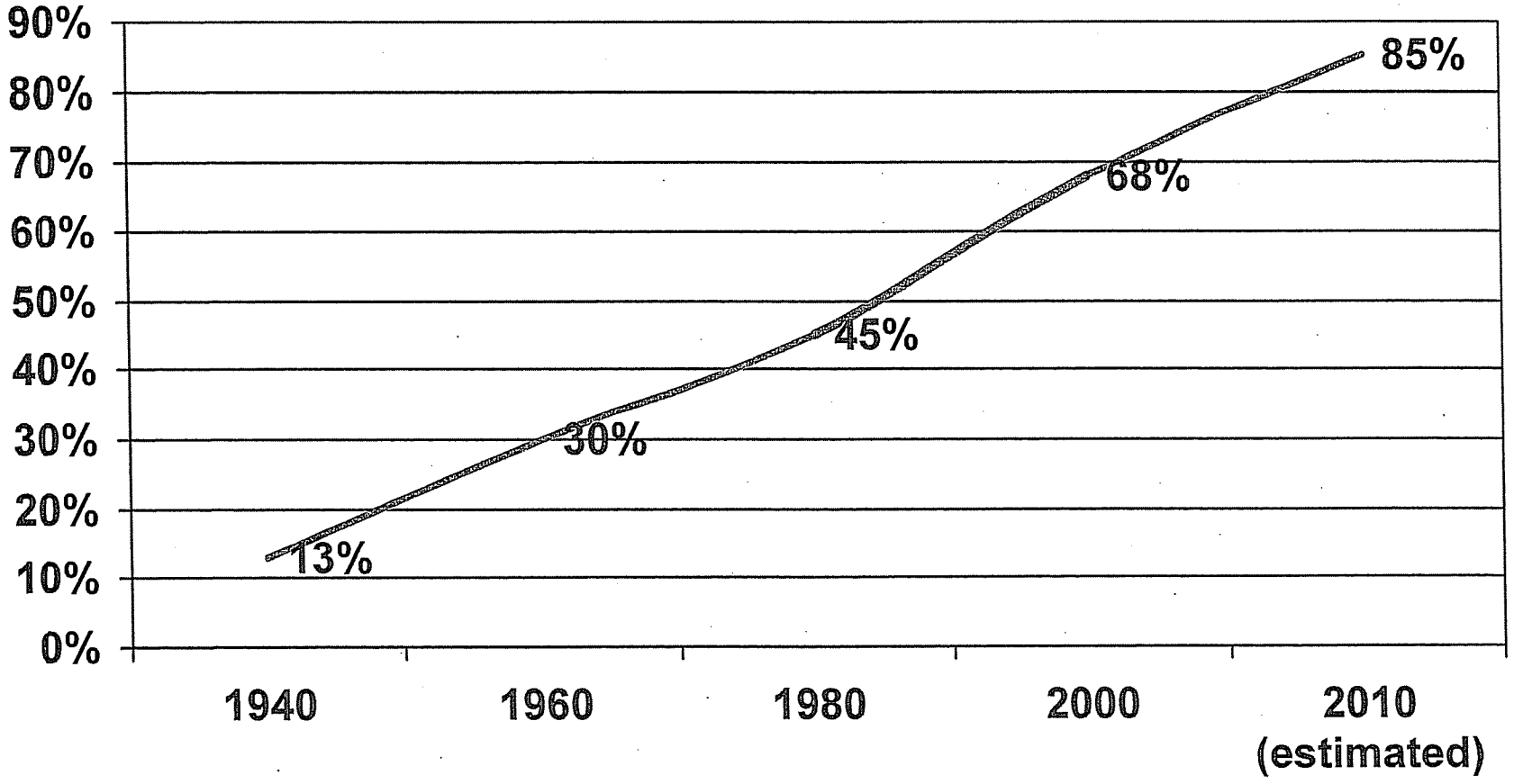
- **The success of FHM programs will directly affect Maine's ability to stabilize health costs and their impact on Maine businesses, individuals, and the state budget.**

Prepared by the Friends of the Fund for a Healthy Maine, January 2007

Benefits of Quality Early Care and Education to the Child

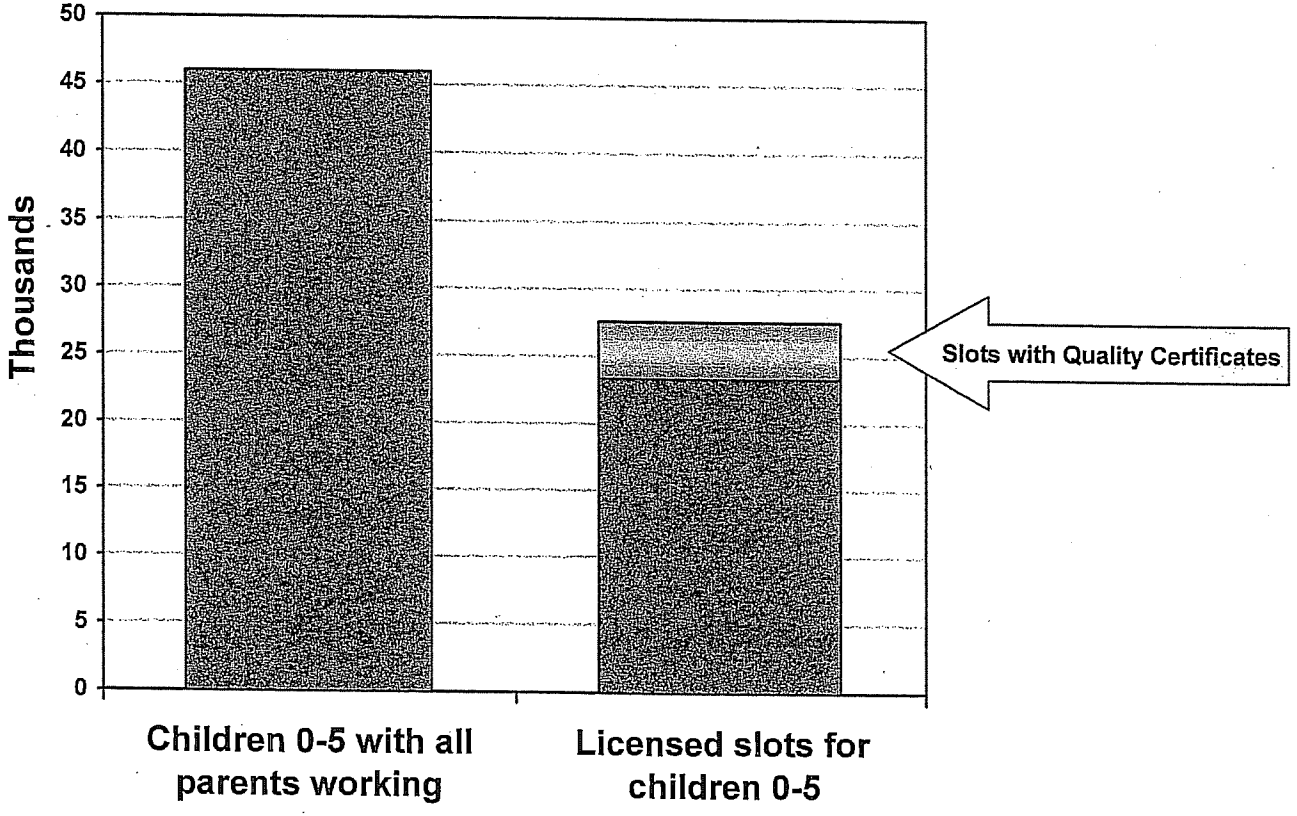
- Improved health and nutrition
- Greater speech/language abilities
- Less risk of abuse and neglect
- Reduced need for special education or other remedial services
- Ready to learn in school at appropriate cognitive and social levels

Working Parents Make up an Increasingly Large Part of the Total Workforce



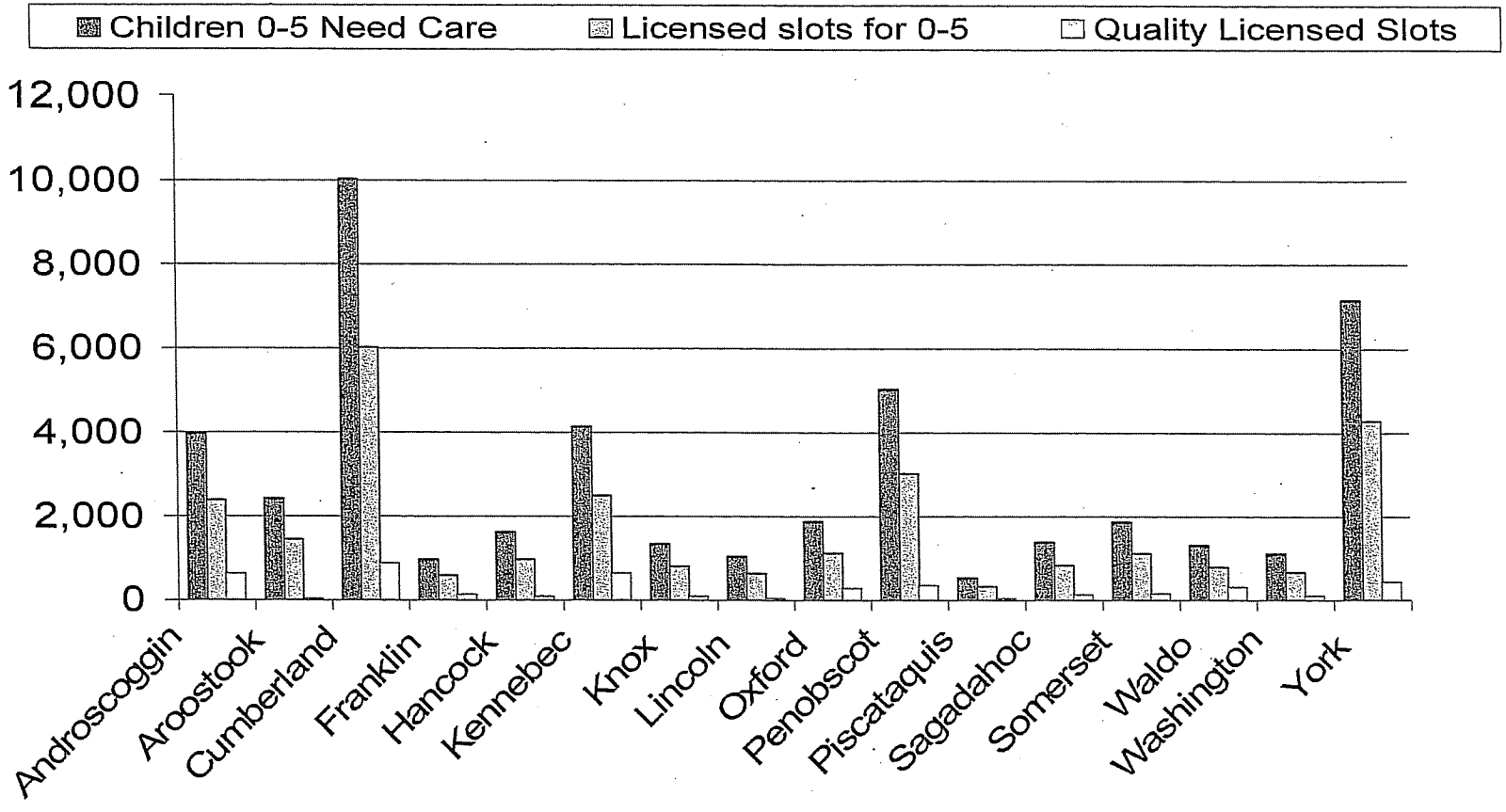
Invest Early for Maine's Future

Shortage of Quality Care for Children 0-5 in Maine



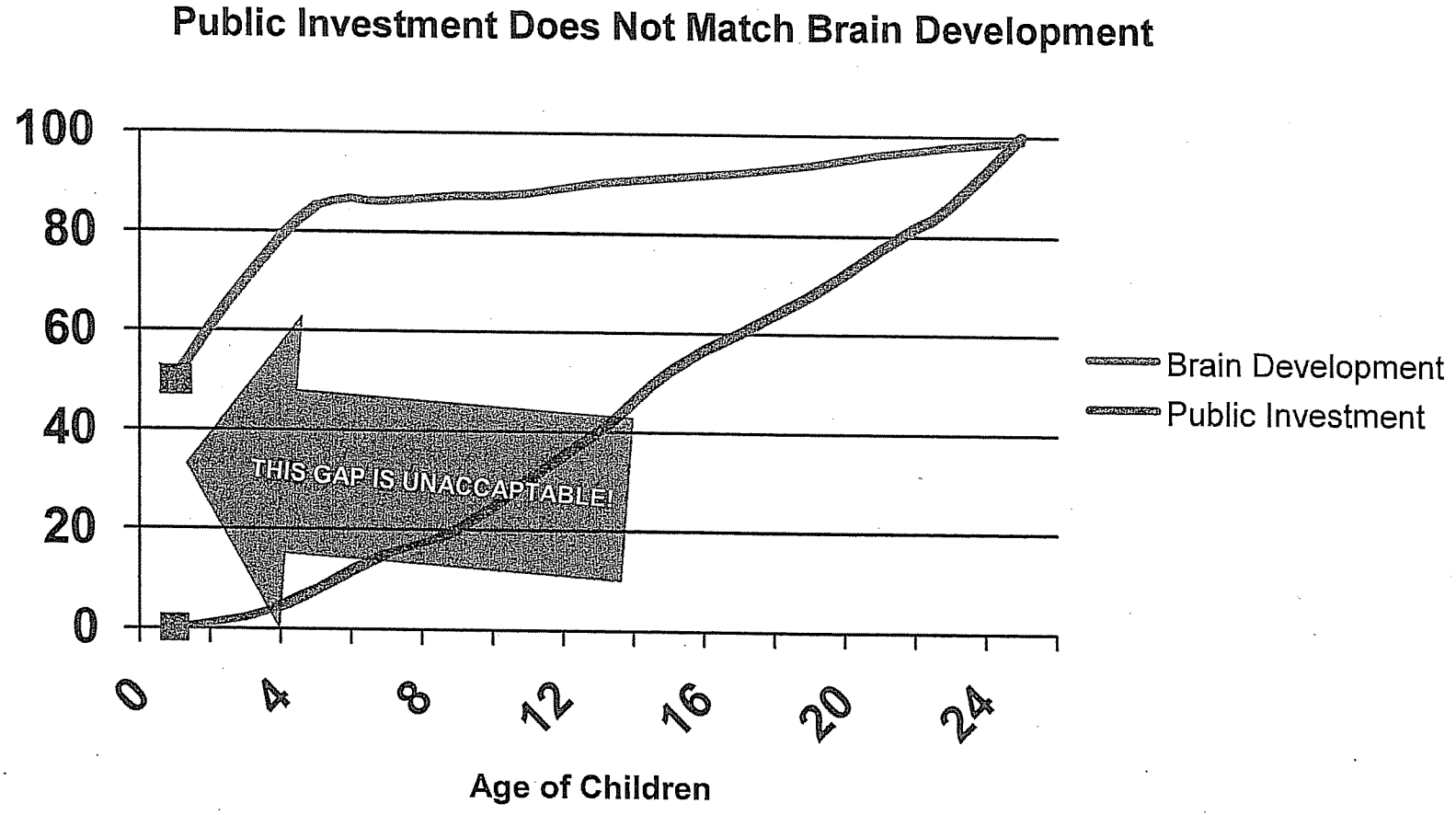
Invest Early for Maine's Future

Shortage of Quality Care Exists Throughout Maine



Invest Early for Maine's Future

We Must Invest Early or Pay Later



Invest Early for Maine's Future

Testimony Against LD 499: An Act Making unified Appropriations and Allocations for the Expenditures of State Government, General Fund, and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009.

February 23, 2007

Senator Rotundo, Representative Fischer, Senator Iranian, Representative Perry, members of the Appropriations and Health and Human Services Committees:

I am Vanessa Broga, I'm a Licensed Social Worker and Family Caregiver Specialist with Senior Spectrum, the Central Maine Area Agency on Aging. Where I am not able to attend today, I am writing to testify against the proposed budget presented in LD 499.

As a social worker with over ten years of experience working with the elderly and their families, I have seen first hand the impact that limited APS resources have had, and the increasing severity of this issue. As a professional and mandated reporter, I have felt the frustration and lack of response when it comes to investigating these cases. It is concerning when professionals reach a point where they have to make themselves "savvy" at how to report a case to APS, so that it is assigned, and are faced with learning the "ins and outs" of just how many professionals and individuals need to call and make a report on a case before it is opened to APS services. The severity of this issue has recently increased to the point where cases may be accepted by APS, but are not being investigated in a timely manner, or at all due to inadequate staffing and resources as reported by the workers.

This was the case in two recent reports, one of which I made to APS. Both cases presented multiple risk factors concerning the primary caregiver, and both cases when reported to aps were opened to services, but not responded to in a timely manner. When visits were attempted, and failed, they were not followed through on due to a lack of adequate staffing and resources to see the individuals.

Most notably was the case which I reported on, regarding a couple in their late 70's, where the husband was the primary caregiver for his wife with Alzheimer's. The case involved numerous risk factors, concerning the health, safety, and welfare of this couple that had been noted by me, the family, and adult day staff. The wife had a history of wandering from the home, and had become combative with her husband who had multiple health issues himself and who was caring for her. The caregiver had reached a point where he was completely exhausted, had started sleeping in a chair in front of his door (as he was extremely hard of hearing and could not hear her leave the home) to keep her from leaving. The caregiver had refused outside resources and to self pay for any type of assistance. There was a history of alcohol use by the caregiver, refusal on his part to stop driving, and concerns of misuse of his wives medications. The family had exhausted all outside resources and there was no legal representative for the care recipient.

It is extremely important in light of cases such as this, that there are adequate resources and staffing in place, to ensure that these situations are adequately investigated, and in a timely manner.

It is with the above concerns that I oppose the proposed budget presented in LD499.

Department of Health and Human Services
New and Eliminated Position Actions with associated All Other
(Does not Include MaineCare)
LD 499 02/01/2007

CA5121 — **Continues one Health Program Manager position originally established by financial order and provides funding for related All Other costs.**

348	A-383	17-284	013	0143	Bureau of Health	1.0	85,258	89,960

This position serves as the manager of the HIV, STD, and Viral Hepatitis Program and will administer the Ryan White CARE Act Title II program which is a federally funded HIV care and treatment program for low-income people living with HIV in Maine.

CA5157 — **Establishes 3 Employment and Training Specialist I positions for workforce development for persons with mental illness.**

270	A-306	17-68	010	0121	Mental Health Services - Community	3.0		195,000

CA5186 — **Establishes one State Veterinarian position in the Bureau of Health program to be assigned to its infectious disease division.**

351	A-386	17-287	013	0143	Bureau of Health	1.0	115,705	117,490

This initiative creates a State Veterinarian position to replace a contract for the same.

CA5415 — **Establishes one Comprehensive Health Planner II position, one Management Analyst II position, 3 Comprehensive Health Planner I positions and one Auditor II position funded 50% General Fund and 50% Federal Expenditures Fund to conduct MaineCare provider reviews and investigations and reduces funding in the Medical Care - Payments to Providers program to recognize the resulting savings.**

387	A-421	17-146	010	0142	Office of Management and Budget		218,696	230,192
361	A-399	17-219	010	0147	Medical Care - Payments To Providers		(275,250)	(2,201,400)
309	A-342	17-212	013	0129	Bureau of Medical Services	6.0	218,730	230,213
361	A-399	17-219	013	0147	Medical Care - Payments To Providers		(474,750)	(3,798,600)
					Net increase/(decrease)	6.0	(312,574)	(5,539,595)
					General Fund increase/(decrease)	-	**(56,554)**	**(1,971,208)**

Provides staff in the Division of Program Integrity to conduct provider investigations and reviews required by the Centers for Medicare and Medicaid Services regulations.

CA5511 — **Continues 3 Disability Claims Examiner positions originally established by Financial Order 02942 F7.**

326	A-360	17-125	013	0208	Division of Disability Determination	3.0	172,938	182,088

CA7013 **Establishes 6 Human Services Enforcement Agent positions, 3 Office Associate II positions, one Support Enforcement District Supervisor position and associated All Other with 66.7% Federal Expenditures Fund and 33.3% General Fund and reduces funding no longer required for maintenance of effort as a result of increased child support enforcement. This initiative will increase General Fund undedicated revenue by $528,000 in each year of the 2008-2009 biennium.**

300-1	A-335	17-184	010	0100	Bureau of Family Independence - Central		210,263	221,760
402	A-435	17-207	010	0138	Temporary Assistance for Needy Families		(317,737)	(306,240)
300-1	A-335	17-184	013	0100	Bureau of Family Independence - Central	10.0	438,050	462,027
					Net increase/(decrease)	10.0	330,576	377,547
					General Fund increase/(decrease)		**(107,474)**	**(84,480)**

These positions will increase child support collections and reduce the maintenance of effort obligation.

CA7015 **Eliminates 2 positions and reduces funding as part of a departmentwide reorganization. The department shall provide a report detailing the new organization structure, the specific positions eliminated and any necessary legislation to implement the reorganization to the Second Regular Session of the 123rd Legislature by December 14, 2007.**

324	A-359	17-121	010	0640	Departmentwide	(2.0)	(220,000)	(220,000)

CA5184 **Increases the hours of one Office Assistant II position from 30 hours per week to 40 hours per week.**

350	A-386	17-287	013	0143	Bureau of Health	0.3	11,501	12,214

General Fund 010	1
Federal Fund 013	21.3
	22.3

Maine Health Care Association

Maine's Nursing Homes Deserve Our Support

The long-term care community relies on MaineCare for about 70% of its funding. Without an increase to the MaineCare rate, providers cannot give raises and their ability to recruit and retain good qualified staff is compromised.

Maine was once a leader in supporting its system of long-term care - but as priorities shifted, nursing homes received a smaller share of MaineCare funding. According to the Kaiser Foundation, Maine ranks 47th in the percentage of Medicaid funds spent on nursing home care.

According to the most recently audited cost reports, Maine nursing homes were under-reimbursed by more than $27 million for MaineCare services in 2005.

Nursing home rates are still based on 1998 cost data. Cost of living adjustments, when received, have averaged less than 1% annually over the last five years. Facilities find it increasingly difficult to compete with hospitals and private sector health organizations that have private health insurance revenues to offset MaineCare losses.

Maine's long term care facilities have the third highest acuity levels and the highest staffing requirements in the nation. These complex medical needs and strict staff ratios require adequate MaineCare resources.

MaineCare budget issues also affect private pay residents who subsidize the program through increased private pay rates to make up for Maine Care losses.

The only new funding for both nursing homes has come mostly from their own provider tax revenues. New revenues from the tax are simply not adequate to pay for increases in the costs of care. This is not a stable or adequate funding source for meeting the needs of our elderly and disabled citizens.

When MaineCare funding does not keep pace with our increasing operating costs – insurances, fuel and other items, the ongoing viability of facilities and the public's access to quality care is threatened.

317 State Street, Augusta, ME 04330 Tel: 207.623.1146 Fax: 207.623.4080 Website: www.mehca.org

Maine Health Care Association

The Honorable Margaret Rotundo
Senate Chair, Appropriations & Financial Affairs Committee
State House
Augusta, Maine 04333

The Honorable Jeremy Fischer
House Chair, Appropriations and Financial Affairs Committee
State House
Augusta, Maine 04333

April 30, 2007

Dear Senator Rotundo & Representative Fischer:

I have been concerned about recent Appropriations Committee discussions on the status of interim MaineCare payment recoveries, particularly as it relates to long-term care providers. Information distributed to the Committee has failed to provide a full picture of a very complex situation.

The IPRT "Weekly Snapshot" seems to have become the focus of most of the discussions with the Committee. Unfortunately, the document significantly overstates the number of long-term care facilities that received interim payments and the amount that is currently owed by these providers to the state. The "Nursing/Custodial/Residential" category is comprised of 656 providers, but the total number of nursing homes and residential care facilities in Maine is only around 250. The sheet indicates that this group owes over $66 million in interim payments. However, a quick calculation of figures provided by DHHS in January 2007 indicated that the actual nursing home and residential care facility balance was approximately $25 million. I am aware of large payments made within the last few weeks that have reduced this number further.

One of the most misleading aspects of the Weekly Snapshot is the relatively low amount of suspended claims. In actuality, this figure is a rather small portion of provider claims that remain unpaid. The figure of $4,769,374 does not reflect claims that were paid incorrectly, including many cases where payments were processed at zero dollars. Based on a sampling of MHCA members, I would estimate that half to two-thirds of all amounts still owed to the state are offset by unpaid claims, some dating back to 2005.

John Elias Baldacci
Governor

Maine Department of Health and Human Services

Commissioner's Office

221 State Street
#11 State House Station
Augusta, ME 04333-0011

Brenda M. Harvey
Commissioner

April 10, 2007

Richard R. McGreal, Associate Regional Administrator
Department of Health and Human Services
Center for Medicare and Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, MA 02203

Dear Mr. McGreal:

Enclosed is the Maine DHHS planning APD. Approval of this request will allow Maine to develop the most expeditious procurement and implementation processes. This plan was developed to address the usual and customary timeframe and costs but it is our intention to move this work with urgency and focus.

We appreciate the support that you, Rick Friedman and staff have provided us these last few months as we made the very necessary but difficult decision to move our MMIS to a fiscal agent. We acknowledge that we will continue to function without some key functionality in our system until the fiscal agent is in place. To mitigate those losses, I have asked our new Medicaid Director, Tony Marple, to focus on developing interim plans, where possible, in lieu of the missing MECMS functions.

The Governor also has several initiatives in his budget that will help to deal with the issues CMS has raised with our MECMS system. These include adding staff to our Program Integrity Unit to enhance their provider review efforts, and increasing contractual support for TPL activity. He is also seeking legislative support to expand our prior authorization efforts to include radiology, manage care through utilization review for behavioral health and for high needs/high cots recipients, We are evaluating the opportunities in the DRA that can help us continue to serve Maine people with high quality services but at reduced overall costs to the State and Federal Governments. We look forward to working with you and your staff on those issues over the coming months.

We intend to continue our monthly telephone updates on the progress to a fiscal agent with both you and Rick Friedman as we previously agreed to do. I am committed to an inclusive and transparent process with CMS and I look forward to hearing from you as soon as possible.

Sincerely,

Brenda Harvey

Brenda M. Harvey
Commissioner

BMH/klv

Enclosure

cc: Rick Friedman, Director, CMS, Finance, Systems and Budget Group

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C3-13-15
Baltimore, Maryland 21244-1850

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Center for Medicaid and State Operations

April 12, 2007

Brenda M. Harvey, Commissioner
Maine Department of Health and Human Services
221 State Street
#11 State House Station
Augusta, ME 04333-0011

Dear Commissioner Harvey:

On today's call it was asked whether Maine's replacement system needs to comply with Medicaid Information Technology Architecture (MITA) standards. I wanted to clarify our position through this letter.

As you know, MITA is currently under development by CMS. We see this as an evolutionary initiative to significantly transform and improve today's MMIS through the use of IT and data standards. As such, we recognize that any requirement associated with MITA must work its way through a series of processes, including public-rule making, before we can translate MITA's principles and standards into federally enforceable requirements.

Consequently, CMS will not hold Maine responsible for adhering to any MITA requirement until such time as we formally make this a requirement for everyone. In the interim, our current MMIS requirements, as articulated in the State Medicaid Manual, Part 11 and elsewhere, will serve as the basis for our review and approval of your IT activities.

Naturally, we would appreciate and encourage Maine to take advantage of MITA's evolving approach to IT development where and how you deem appropriate. But we leave that call to you.

We value our partnership and look forward to continuing to work together on the MECMS replacement initiative.

Richard H. Friedman

Richard H. Friedman, Director
Division of State Systems

cc: ARA for Medicaid and Children's Health, Boston

Maine Department of Health and Human Services

Commissioner's Office

221 State Street
#11 State House Station
Augusta, ME 04333-0011

John Elias Baldacci
Governor

Brenda M. Harvey
Commissioner

April 13, 2007

Senator Joseph C. Brannigan, Co-Chair
Representative Anne C. Perry, Co-Chair
Joint Standing Committee on Health and Human Services
Cross Office Building, Room 209
Augusta, ME 04333

Senator Margaret Rotundo, Co-Chair
Representative Jeremy R. Fischer, Co-Chair
Joint Standing Committee on Appropriations and Financial Affairs
State House, Room 228
Augusta, ME 04333

Dear Senators Brannigan and Rotundo, Representatives Perry and Fischer and Members of the Joint Standing Committees on Health and Human Services and Appropriations and Financial Affairs:

Earlier this week, the Department of Health and Human Services submitted its Planning Advanced Planning Document (PAPD) to the Center for Medicare and Medicaid Services (CMS) to complete the next step toward developing, obtaining and implementing a new Medicaid Management Information System. We anticipate written approval as early as next week.

PAPD approval assures federal participation, which means a 90 percent match of the state's 10 percent contribution from the General Fund for the project. In this planning document, we estimate the costs for moving to full implementation of a fiscal agent. These estimates were based on current industry standards. These numbers also helped to establish early on the range of anticipated federal support for this project.

While we will not rush the process, we will be using the planning process to identify a more abbreviated timeframe at less overall cost. This will be reflected in the next required document, the Implementation Advanced Planning Document (IAPD).

As always, feel free to contact me with any questions.

Sincerely,

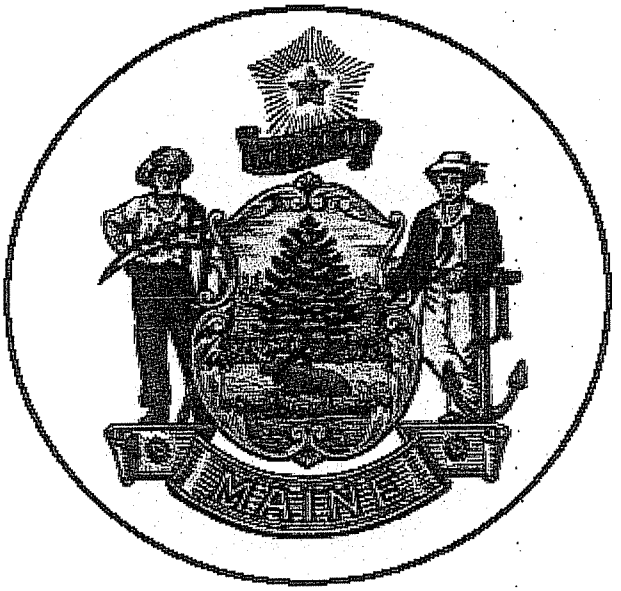
Brenda Harvey

Brenda M. Harvey
Commissioner

BMH/klv

STATE OF MAINE
Department of Health
and
Human Services

Medicaid Management Information System



PLANNING ADVANCE PLANNING DOCUMENT

April 9, 2007

PURPOSE, BACKGROUND AND ORGANIZATION OF THE PLANNING ADVANCE PLANNING DOCUMENT

This introduction describes the purpose of this Planning Advance Planning Document (PAPD), provides brief background information and concludes with an overview of the remainder of the PAPD. The format and content of this PAPD are based on Chapter 11 of the State Medicaid Manual and federal regulations at 45 CFR 95.605 (1) – *Planning APD.*

I. PURPOSE

The Maine Department of Health and Human Services (DHHS) is initiating the planning process to replace its current Medicaid Management Information System (MMIS), called Maine Claims Management System (MeCMS). DHHS is submitting this PAPD to the Centers for Medicare and Medicaid Services (CMS) to obtain approval for the project's scope and purpose and request enhanced federal financial participation (FFP) for the planning and procurement processes. DHHS projects that the MMIS planning and procurement effort will cost $3,275,000 and requests ninety percent (90%) in FFP. The federal share is estimated to be $2,947,500, with the state's share estimated at $327,500. The result of this planning phase will be the ability of DHHS to move forward with acquisition of a new MMIS and a fiscal agent contract.

II. BACKGROUND

In January 2005 the State deployed its new MMIS, the Maine Claims Management System (MeCMS).

Throughout 2005 and 2006, DHHS worked to stabilize MeCMS with an emphasis on repairing system functionality having the most adverse impact on providers, and has now determined that completion of the current system is not a viable approach.
The decision to adapt an already-certified system approach was communicated to CMS in a letter dated February 5, 2007, from Brenda M. Harvey, Commissioner, to Richard R. McGreal, Acting Associate Regional Administrator.
DHHS understands that switching Maine to a competing product also entails further expense in procuring an MMIS system, but would be more certain to produce a satisfactory outcome: contracting with an established vendor whose products are a known quantity already approved by CMS with the prospect of renewed federal funding at the 90% match rate .Given this decision, DHHS, therefore, wants to embark on a project to acquire fiscal agent services.

III. ORGANIZATION OF THE DHHS MMIS PAPD

The following chapters comprise the remainder of this MMIS PAPD.

A. *Statement of Need* – This section describes DHHS' need to acquire and implement proven MMIS functionality.

B. *Project Management Plan* – The Project Management Plan section will address:

   1. Project Organization – Defines who will manage the project.
   2. Planning Activities – Describes the activities that will take place during this diagnostic and initial planning phase to meet the following project objectives:

a. Understanding and assessing the Medicaid Information Technology Architecture (MITA) and how DHHS can use MITA principles to facilitate meeting its business and technology needs.

b. Performing a high-level MITA Business Assessment.

c. Reviewing existing capabilities in the Medicaid marketplace.

d. Developing a procurement roadmap that defines a realistic schedule and identifies best practices and pitfalls to avoid.

e. Identifying detailed requirements (needs assessment).

f. Performing alternative analyses for obtaining and maintaining required functionality.

g. Drafting the Implementation Planning Document including a detailed cost benefit analysis.

3. *Procurement Activities* – Based on the alternative analyses, the following activities will be completed:

   a. Working with the State of Maine's Chief Information Officer to enlist endorsement and approval of the procurement process and the Request(s) for Proposals (RFP/RFPs).

   b. Drafting the RFP(s) for necessary contractor support.

   c. Preparing a comprehensive Proposal Evaluation Plan (PEP).

   d. Drafting proposal evaluation criteria.

   e. Conducting the contractor selection process.

4. *Resource Needs* – Details what state and contractor resources will be required for the planning and procurement phases.

5. *Projected Schedule* – This section defines the high-level schedule and milestones for the entire project.

C. *Planning and Procurement Project Budget* – This section details the project budget for the planning and procurement activities.

D. *Summary and Assurances* – This section summarizes DHHS' request and commits to keeping CMS informed of project activities.

CHAPTER 1: STATEMENT OF NEED

This chapter describes the current need, and DHHS' objectives for this planning effort.

I. STATEMENT OF NEED

Obtain a fully functional MMIS through the services of an experienced MMIS implementation vendor and acquire fiscal agent services that can secure federal certification.

II. PROJECT OBJECTIVES

A. Determining the required functionality and technology necessary to meet current and future business, processing and informational needs.

B. Incorporating the business and technology principles and goals of the MITA initiative.

C. Planning for the acquisition, management and operating functionality, along with technology and associated contracts in the most efficient and effective manner.

D. Acquiring and implementing a proven MMIS from a credible vendor in a successful and timely manner.

E. Determine the appropriate MMIS operations to transition to a fiscal agent model.

These objectives will be re-examined at the end of the planning and procurement phases and revised for inclusion in the Implementation Advance Planning Document (IAPD).

CHAPTER 2: PROJECT MANAGEMENT PLAN

This chapter describes the project organization established to successfully manage this project, planning and procurement activities, and an estimated project schedule.

I. PROJECT MANAGEMENT

DHHS has developed a project management plan that stresses State management of the project and assigns qualified state managers to fulfill key roles.

A. Steering Committee - The Steering Committee consists of the Commissioner of DHHS, the Commissioner of DAFS, the State CIO, the DHHS Deputy Commissioner of Finance, the Director of OMS and the OMS Project Manager. The Steering Committee is responsible for ensuring that the system being built or project being developed follows the Department's technical, policy, and quality standards and procedures.

B. Project Owner – The Project Owner is Brenda Harvey, Commissioner of DHHS.

C. DHHS Project Director – The DHHS Project Director will be responsible for all stages of the project management process. The Steering Committee is in process of selecting a candidate for this position.

D. Fiscal Agent Project Manager – The Fiscal Agent Project Manager, Eileen Cerbarano, is responsible for managing and oversight of the day-to-day fiscal agent project activities. A team consisting of associate project managers, business analysts, and a part time contract manager will support Ms. Cerbarano. This support staff will be assigned project management, contractual, and administrative duties to help ensure the project stays on track, the contract provisions are followed, and that issues and risks are properly monitored.

II. PLANNING ACTIVITIES

The following activities are planned for this initial phase of the project:

A. Document Development and Operational Alternative Analyses Decisions

DHHS will finalize its decision to transfer an existing system and transition to a fiscal agent model for MMIS operations.

This determination will provide the direction on which functions will be operated by fiscal agent or by State staff and will define required activities for the remainder of the project. The decisions will drive DHHS staffing assignments, the number and content of the RFP, the cost and the actual timeframe for implementation.

B. Utilize MITA – The purpose of these activities is to provide DHHS with information and impact of the CMS MITA initiative. MITA activities will be divided into two parts:

1. *Technology Workshop* – DHHS will conduct a technology workshop focused on MITA and Service Oriented Architecture (SOA). This knowledge sharing will provide DHHS with a more complete understanding of MITA, its principles and the MITA maturity models. This will allow DHHS to better incorporate MITA principles and objectives into the requirements gathering and procurement related activities going forward.
2. *MITA Assessment* – DHHS will perform a high-level assessment of its business functions against the MITA Maturity Model.

C. Perform a Detailed Requirements Assessment

DHHS will conduct several requirements meetings/ workshops that will focus on current and future business requirements in order to identify new or enhanced MMIS functional and technological needs.

D. Draft the IAPD

Once the requirements have been documented, DHHS will draft the IAPD in accordance with federal regulations and Chapter 11 of the State Medicaid Manual to obtain CMS approval and associated funding.

III. PROCUREMENT ACTIVITIES

Subsequent to the successful completion of the planning process, the state will competitively procure required MMIS functions, technology and services. The procurement phase will consist of the RFP(s), developing the Performance Evaluation Plan (PEP) and conducting the contractor selection process. The State plans on evaluating flexible procurement options that may facilitate the procurement process in order to meet critical timeframes.

A. Draft the Request for Proposal(s)

The RFP(s) will comply with all state and federal procurement regulations and will be designed to ensure competition.

The draft RFP(s) will be submitted to CMS for approval prior to release.

B. Draft the Proposal Evaluation Plan (PEP) and Associated Criteria

DHHS will prepare a PEP that describes the overall process, assigns roles and responsibilities and details evaluation criteria (both technical and cost) that matches the overall objectives of the new MMIS.

C. Conduct the Contractor Selection Process

The MMIS procurement will include:

1. *Issuance of the RFP* – DHHS will release the RFP(s) in the manner prescribed by state regulations and ensure vendors have sufficient time to prepare valid and responsive proposals.
2. *Vendors' Conference* – DHHS will conduct a vendors' conference to outline the objectives of the procurement, answer vendor questions and provide other information relevant to the procurement.
3. *Response to Vendor Questions* – DHHS will respond to vendor inquiries as soon as possible to allow sufficient time for proposal development.
4. *Proposal Evaluation and Contractor Selection* – DHHS will perform the evaluation and select the contractor(s) using the approved PEP.
5. *Contractor Selection Report* – DHHS will prepare the Contractor Selection Report describing the reasons for selection, the strengths and weaknesses of each proposal and details of the technical and cost scores.

Contract negotiations will begin after requisite approvals are received regarding the selection.

IV. PROJECTED SCHEDULE

Table 1, Projected Planning and Procurement Schedule, lists the major activities and associated timeframes for planning and procuring the required MMIS functionality.

Table 1: Projected Planning and Procurement Schedule

Major Activities	Target Completion Date
Submit the PAPD to CMS	April 2007
Document Development and Operational Alternatives	May 2007
Perform MITA Assessment	June 2007
Define Detailed Functional and Technical Requirements	August 2007
Submit IAPD to CMS	September 2007
Draft Request for Proposals	October 2007
Release Request for Proposals	December 2007
Draft Proposal Evaluation Plan	December 2007
Conduct Vendors' Conference	December 2007
Receive Responses from Vendor Community	January 2008
Proposal Evaluation	March 2008
Contract Award Date	April 2008
Submit Draft Contract to CMS	April 2008
Contract Start Date	June 2008

Chapter 3: PLANNING AND PROCUREMENT PROJECT BUDGET

This chapter describes Maine's budget estimate for the planning and procurement of enhanced MMIS functionality and technology.

I. Estimated Costs for Planning and Procurement

Table 2, Estimated MMIS Planning and Procurement Project Costs, provides a breakout of the estimated cost by major phase. Also included in this table are the percentage of FFP being requested and the projected allocation.

Table 2: Estimated MMIS Planning and Procurement Project Costs

Phase	Estimated State Costs	Estimated Contractor Costs	Total Computable Cost	% of FFP	State Share	Federal Share
Planning Phase (PAPD, MITA, Requirements Definition, Alternative Analyses, IAPD, etc.)	$850,000	$1,050,000	$1,900,000	90%	$190,000	$1,710,000
Procurement Phase (RFP(s), PEP (PEP), Contractor Selection and Negotiations)	$525,000	$800,000	$1,325,000	90%	$132,500	$1,192,500
State Travel Costs	$50,000	N/A	$50,000	90%	$5,000	$45,000
TOTAL COST	**$1,425,000**	**$1,850,000**	**$3,275,000**		**$327,500**	**$2,947,500**

II. STATE RESOURCE COSTS

State resource costs are based on the effort that state staff (Project Steering Committee, Project Owner, DHHS Project Director, Fiscal Agent Project Manager, Support Staff, Subject Matter Experts, and stakeholders) will be required to provide to manage and participate in the MMIS planning and procurement activities. This estimate is based on other states' experience that had similar planning and procurement efforts. DHHS is projecting an estimate of $1,425,000 in State resource costs for planning and procurement activities.

III. CONTRACTOR COSTS

DHHS will require contractor to support the project throughout the planning and procurement phases since it does not have staff with the knowledge and expertise to execute a project of this complexity. Currently, the cost of these services is unknown; therefore, DHHS is estimating the cost using industry data and actual contractor costs for similar efforts in Pennsylvania, Ohio, and Wisconsin. This information suggests that contractor costs could range from $1,500,000 to $2,000,000 over the 13 to 15 month project life cycle. DHHS estimates this cost to be $1,850,000 for both the planning and procurement phases.

IV. STATE TRAVEL COSTS

DHHS staff may be required to travel to other states in order to effectively complete the planning and procurement activities. The travel costs are estimated to be $50,000.

V. STATE AND FEDERAL SHARE

The appropriate state and federal matching rates will be identified, based on activities and services, in accordance with Chapter 11 of the State Medicaid Manual. This allocation will be documented in the IAPD.

CHAPTER 4: ESTIMATED TOTAL MMIS IMPLEMENTATION PROJECT COST

In accordance with federal regulations at 45 CFR95.605 (1) – *Planning APD*, this chapter estimates the total project costs for the implementation of the MMIS. Prior to conducting the detailed planning and analysis, DHHS is providing very high-level estimates, using industry data and other state information. DHHS will provide more detailed and specific information in the IAPD. The cost to implement a new MMIS ranges greatly based on functionality requested, as well as current market pressures and competition. Recent MMIS development costs (bids plus amendments) range from $80,000,000 to close to $100,000,000. DHHS estimates the cost of a new MMIS to be in this range.

CHAPTER 5: ASSURANCES AND SUMMARY

The State of Maine will ensure that the MMIS procurement meets all applicable state and federal regulations including provisions of Chapter 11 of the State Medicaid Manual relating to federal certification. The State projects that the MMIS Planning and Procurement efforts will cost $3,275,000 and is requesting ninety percent (90%) FFP. The federal share is estimated to be $2,947,500 with the state's share estimated at $327,500.

DHHS will keep its partner in this effort, CMS, informed on all aspects of this planning and procurement effort. DHHS will seek CMS' guidance, counsel and continued support throughout this process.

United Way
of Greater Portland

May 15, 2007

Committee on Appropriations and Financial Affairs
5 State House Station
Augusta, ME 04333-0005

Re: Proposed reductions to non-categorical MaineCare members
Increased co-payments/premiums

Dear Senator Rotundo and Representative Fischer,

Every year United Way of Greater Portland is faced with funding requests and community needs that far surpass our ability to respond. Since volunteers determine where community dollars, volunteer efforts and staff time are invested, they must determine where our finite resources will have the greatest impact and are faced with difficult choices. We know we do not have to explain this tension to you since you are faced with it daily in Augusta.

However, as you strive for a budget compromise, we ask that you consider the significant cost savings associated with continuing coverage for "non-categorical" MaineCare members. These adults, age 21-64, do not have minor children living at home and are not disabled. Their incomes also fall below the federal poverty level ($10,210 per year).

Three years after expanding MaineCare coverage to non-categoricals, per-member, per-month cost declined by more than $100 and the rate of charity care at hospitals also declined. In addition, municipal general assistance programs throughout the state saved nearly $250,000 on payments for prescription drugs. When enrollment in the non-categorical program was frozen in FY 2005, general assistance costs for prescription drugs quadrupled. United Way believes that investing in these high-end medical users saves state and federal resources in the long run.

United Way is also concerned about discussions to increase co-payments for MaineCare recipients and significantly increase premium costs for MaineCare families between 100% and 200% of the federal poverty level. Research consistently shows that increasing cost-sharing for low-income families reduces access to health care and increases the use of more expensive care like emergency rooms visits and hospitalizations. On paper, slight increases often look inconsequential; however, when added to a single parent's already-stretched budget, they become major barriers.

Thank you for your time and leadership.

Sincerely,

Bill

Bill Vickerson
Chair, Public Policy Committee

John Elias Baldacci
Governor

Maine Department of Health and Human Services

Commissioner's Office

221 State Street
#11 State House Station
Augusta, ME 04333-0011

Brenda M. Harvey
Commissioner

May 14, 2007

Representative Linda M. Valentino
PO Box 1049
Saco, ME 04072

Dear Representative Valentino:

I am providing you with the following information regarding the concerns about DHHS expressed by Natalie Jones in her April e-mail to you. In an effort to stay organized I'm responding in order of her concerns.

1. I have attached an organizational chart of the Department as requested by Ms. Jones.

2. Ms. Jones believes that the supervisory to staff ratio in child protective services is too high at 1:6 and states that the Child Welfare League's (CWLA) standard is 1:8. The actual CWLA standard is 1:5 and Maine is, as correctly stated above, 1:6. Even though we do not meet this standard we do feel that our ratio is adequate.

3. Ms. Jones is concerned that our Department seems "administration heavy." She noted that even though there is a "hiring freeze" she recently saw a posting for a contract administrator position. State government continues to operate under a hiring freeze that requires specific justification to fill any vacancy. Positions not considered vital are not filled. This position was, therefore, considered vital.

4. Much of what we do in state government is administrative: we license, we monitor programs, we develop contracts, we audit, and we process bills. It is not surprising that we have many administrative positions and that one would be considered vital. The administrative costs to DHHS for its total budget is less than 5%, significantly below any business or industry standard.

5. It appears that Ms. Jones has heard some "buzz" about an across the board upward reclassification of all state employees. There is no truth to this "buzz" that I can find. The State is in negotiations with all Labor organizations representing state employees relative to successor agreements for the '08-'09 fiscal years. There are no agreements on wages at this point that I am aware of.

6. Regarding the merger, Ms. Jones covers a broad array of issues. She is incorrect that "several top level positions were created at the administrative level to manage DHHS". In fact, $5.8 MM was taken from the budget and 33 positions were eliminated, including a Commissioner and two Deputy Commissioners. She states that there are four or five Directors of Child Welfare. There is one.

We do not quite know how to respond to statements about many contract staff attending one meeting. We have consolidated contract management across DHHS. We continue to try to improve collaboration between program and contract staff to more effectively manage our resources. Perhaps program and contract staff attend negotiation sessions together on occasion. In our view, that is a tangible representation of involvement and joint management. Finally, there are no longer any "medical directors" in our district offices. We do have utilization review nurses in some programs, but they play a very active role in managing our increasingly scarce resources and assuring that clients are receiving effective services.

7. DHHS is not moving to a model of "managed care' that Ms. Jones describes. DHHS is moving toward the management of care -- we are trying to reach a point where Maine people receive the right service at the right time at the right cost.

8. The children's behavioral health management team includes two psychiatrists in addition to the Director who has extensive experience and knowledge about children's issues. We attempt to make decisions about our programs with the help of parents, advocates and other professionals. Ms. Jones is concerned that recent service changes which eliminate "Section 37" will be detrimental to children. Extensive conversations were held with the section 37 providers; as a result of these discussions the number "37" is being deleted from the Maine Care manual, but the services that were included have been added to section 65.

9. After receiving no salary increases in FY '05 or FY '06 State employees did receive salary increases of 3% on 7/1/05 and 3% on 7/1/06. There are no agreements on wages beyond this.

10. Ms. Jones is correct. A State employee may retire and be re-hired in another position. If they are pensioned, they do collect a salary in addition, however their health insurance costs are paid through retirement and they do not accrue any additional retirement benefits.

11. The last question should be directed to Karynlee Harrington at Dirigo. She can be reached at 287-9964

Should you need any further information, please do not hesitate in contacting me.

Sincerely,

Brenda

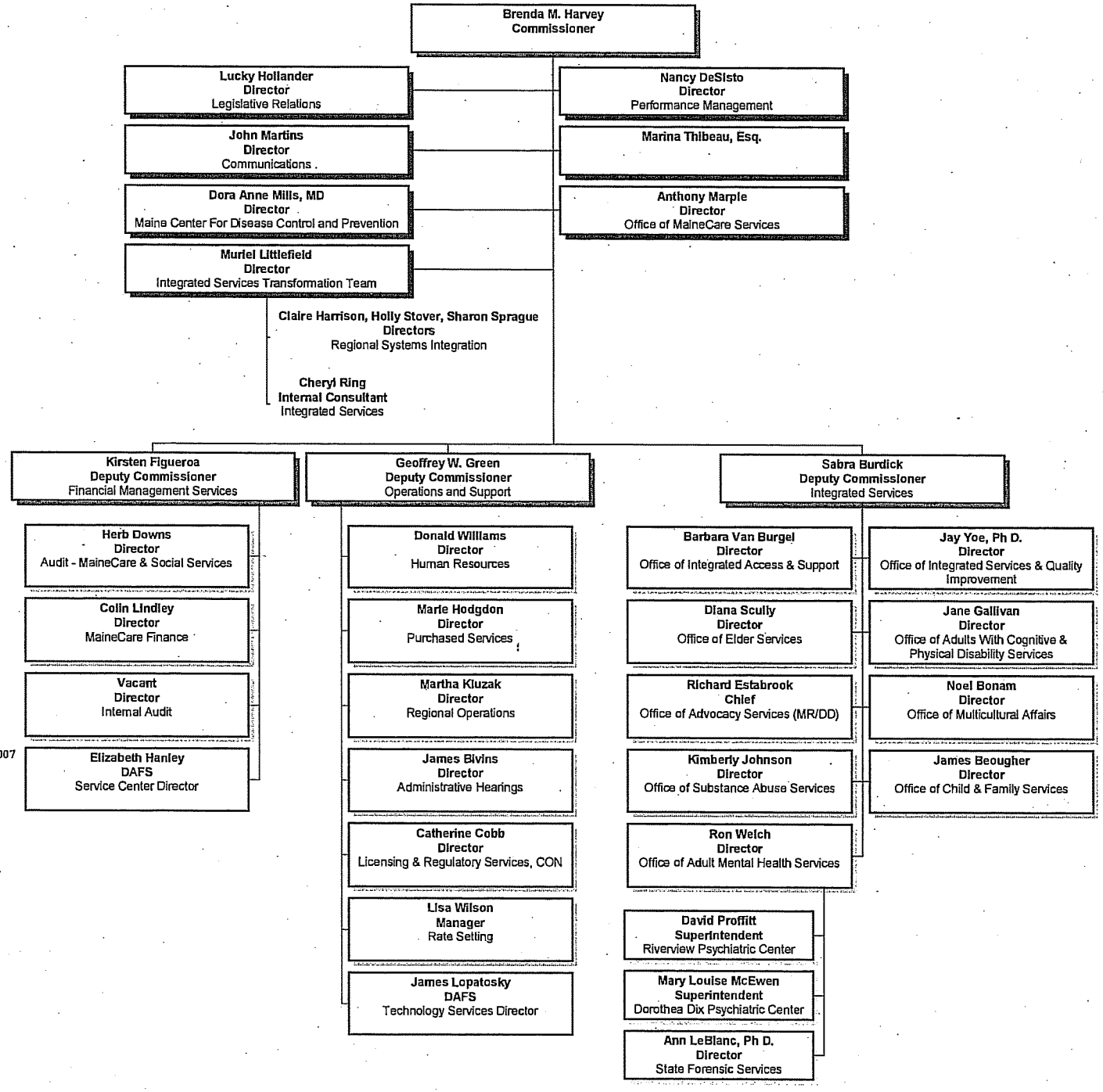
Brenda M. Harvey
Commissioner

BMH/klv

cc: Joint Standing Committee on Appropriations and Financial Affairs

Maine Department of Health and Human Services

revised April 2007



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Maine Department of Health and Human Services

Operations and Support

11 State House Station
Augusta, ME 04333-0011

John Elias Baldacci
Governor

Brenda M. Harvey
Commissioner

Geoffrey W. Green,
Deputy Commissioner
Operations and Support

May 17, 2007

TO: Senator Margaret Rotundo, Senate Chair
Representative Jeremy R. Fischer, House Chair
Members, Joint Standing Committee on Appropriations and Financial Affairs

Senator Joseph C. Brannigan, Senate Chair
Representative Anne C. Perry, House Chair
Members, Joint Standing Committee on Health and Human Services

FROM: Geoffrey W. Green, Deputy Commissioner, Operations and Support, DHHS

SUBJECT: Licensing Survey

I am writing in response to concerns that have been expressed in connection with statements by a representative of Sweetser that a recent licensing survey conducted by the Department of Health and Human Services took 12 weeks to complete.

First, it should be noted that the survey in question was a consolidated survey covering both mental health and substance abuse treatment services. Such coordination of licensing surveys avoids the past practice of conducting multiple surveys at separate times throughout the year.

Second, a licensing review policy that governs the process used to conduct surveys of mental health programs was submitted to the Court in the AMHI consent decree case in June, 2004. This policy was developed, as directed by the Court, in response to the Court's expressed concern about lack of reliability in the licensing review process. The policy requires extensive on-site record reviews and face-to-face interviews with clients and staff. Both the sample sizes for the record reviews, and the "checklist" of items to be reviewed in client records are specified in the policy. I would be happy to provide more specific details upon request.

Sweetser is a large organization with a wide variety of programs and services, and facilities throughout the state. The agency completed the purchase of Protea during the past year, which more than doubled the licensing work required during this survey compared to previous years because Protea has more than 200 affiliated service providers. The licensing survey involved visits to one or more sites in Bangor, Calais, Hallowell, Machias, Waterville, Wilton, Rangeley, Portland, Saco, Sanford, Belfast, Kittery, Damariscotta, Brunswick, Westbrook and Charleston. At each location, staff and clients were interviewed and records were reviewed as required by the licensing review policy. In addition, more than 15 different mental health and substance abuse programs

were reviewed, each having differing clinical standards from which to address compliance.

One licensing surveyor had primary responsibility for this licensing survey. Other surveyors assisted in various aspects of the process. During the period the Sweetser survey was conducted, other non-Sweetser related duties were also performed by the staff involved.

I hope that this information provides some context concerning the breadth and scope of the survey conducted at Sweetser. I would be happy to answer questions and provide further information upon request.

cc: Brenda Harvey, Commissioner
Lucky Hollander, Director, Legislative Relations
Cathy Cobb, Director, Licensing

FY08

COMPOSITE

		TANF/AFDC	Child Support	Child Welfare (Net 25%) 50% of IV-E Eligible	Other Child & Family Services	Adult Services (Capped)	Elder Services (Capped)	Medical Assistance	Survey & Utilization	Licensing Certification	Food Stamps	ASPIRE/JOBS	Health Programs	Disability Determination	Title XVIII/ L-T-C	Other Program	CON	Mental Health	Mental Retardation	Children	Substance Abuse	Fraud Elderly	Hospital Cooperation	Tobacco	Victim Advocates	Total
		100%	66%		50%	100%	100%	50%	50%	50%	50%	100%	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	
AAG	FFP amount	12,679	527,740	458,726	19,948	0	0	125,270	0	17,101	12,034	5,694	0	0	0	0	0	0	0	0	0		0			1,179,194
	non FFP amount	0	271,866	1,376,177	19,948	2,278	107,282	125,270	0	17,101	12,034	0	0	0	0	25,922	42,816	2,581	3,872	0	0		0			2,007,148
	Total all AAG	12,679	799,607	1,834,903	39,896	2,278	107,282	250,541	0	34,203	24,068	5,694	0	0	0	25,922	42,816	2,581	3,872	0	0	0	0	0	0	3,186,342
Paralegal	FFP amount		223,630	23,319																						246,949
	non FFP amount		115,203	69,958																						185,161
	Total all paralegal		338,834	93,277																						432,111
0696 Support	FFP amount	4,807	220,831	196,619	7,563	0	0	47,496	0	6,484	4,563	2,159	0	0	0	0	0	0	0	0	0		0	0	0	490,522
	non FFP amount	0	113,761	589,856	7,563	864	40,676	47,496	0	6,484	4,563	0	0	0	0	21,005	16,234	979	1,468	0	0		0	0	0	850,948
	Total all support staff and All Other	4,807	334,592	786,474	15,127	864	40,676	94,992	0	12,968	9,125	2,159	0	0	0	21,005	16,234	979	1,468	0	0	0	0	0	0	1,341,470
Total 0696	FFP amount	17,487	972,201	678,664	27,511	0	0	172,767	0	23,585	16,597	7,853	0	0	0	0	0	0	0	0	0		0	0	0	1,916,666
	non FFP amount	0	500,831	2,035,991	27,511	3,142	147,958	172,767	0	23,585	16,597	0	0	0	0	46,926	59,050	3,560	5,340	0	0	0	0	0	0	3,043,258
	Total program 0696	17,487	1,473,032	2,714,654	55,023	3,142	147,958	345,533	0	47,171	33,194	7,853	0	0	0	46,926	59,050	3,560	5,340	0	0	0	0	0	0	4,959,923
RE process	FFP amount	67,203	60,744	25,323	0	0	0	169,572	0	0	33,602	0	82,020	0	0	0	0	0	0	0	0		0	0	0	718,822
	non FFP amount	0	31,292	25,323	0	0	0	169,572	0	0	33,602	0	0	0	0	0	0	214,635	25,212	50,423	36,705		0	0	0	586,764
	Total PS and AO RE group	67,203	92,036	50,645	0	0	0	339,144	0	0	67,203	0	82,020	0	0	0	0	214,635	25,212	50,423	36,705		0	0	0	1,305,586
Total	FFP amount	84,690	1,032,945	703,986	27,511	0	0	342,339	0	23,585	50,199	7,853	82,020	0	0	0	0	0	0	0	0		0	0	0	2,635,488
	non FFP amount	0	532,123	2,061,313	27,511	3,142	147,958	342,339	0	23,585	50,199	0	0	0	0	46,926	59,050	218,195	30,551	50,423	36,705		0	0	0	3,630,022
	Total PS and AO for 0696 and RE group	84,690	1,565,068	2,765,299	55,023	3,142	147,958	684,678	0	47,171	100,397	7,853	82,020	0	0	46,926	59,050	218,195	30,551	50,423	36,705		0	0	0	6,265,509
	GF Need	0	500,831	2,035,991	27,511	3,142	147,958	172,767	0	23,585	16,597	0	0	0	0	46,926	59,050	3,560	5,340	0	0	0	0	0	0	3,043,258 Total

IPRT Weekly Snapshot

Summary by Provider Recapture Initiative

Week Ending: February 9, 2007
Cycle Week # 32

		As of February 9, 2007						
Type	**Count of Providers**	**Interim Payments**	**Recaptures and Returns**	**Agreements**	**Research**	**Pending**	**Balance**	**Suspended Claims (as of 1/26/07)**
High Impact	156	$ 77,934,430	$ 57,852,051	$ 12,649,879	$ 7,432,499	$ -	$ 20,082,379	$ 1,968,719
Letter 2 Release	820	$ 190,684,541	$ 108,808,553	$ 28,407,314	$ 53,468,674	$ -	$ 81,875,988	$ 7,588,254
Ad-Hoc Recoveries	132	$ 14,518,690	$ 10,984,389	$ 300,813	$ 3,233,488	$ -	$ 3,534,301	$ 1,273,603
Schools	257	$ 12,131,177	$ 10,942,269	$ 1,188,908	$ -	$ -	$ 1,188,908	$ 3,615
MR Provider Recovery	674	$ 134,392,135	$ 102,314,367	$ 13,374,900	$ 17,086,530	$ 1,616,337	$ 32,077,768	$ 1,507,508
Phase III Recovery	2,443	$ 78,428,659	$ 25,329,097	$ 7,242,862	$ 11,613,466	$ 34,243,234	$ 53,099,562	$ 27,792,265
Pilot Recoveries	28	$ 10,254,327	$ 7,789,212	$ 330,388	$ 1,776,361	$ 358,366	$ 2,465,115	$ 1,599,419
Total	**4,510**	**$ 518,343,960**	**$ 324,019,938**	**$ 63,495,064**	**$ 94,611,019**	**$ 36,217,939**	**$ 194,324,022**	**$ 41,733,384**

Activity for Fiscal Year 2007:								
As of June 30, 2006		$506,537,281	$240,590,051	$90,438,255	$123,541,954	$51,967,020	$265,947,230	$125,261,450
Difference from June 30, 2006		$11,806,679	$83,429,887	($26,943,191)	($28,930,935)	($15,749,081)	($71,623,208)	($83,528,066)

General Highlights:

The balance of interim payments made to providers stands at $518.3 million; this represents a $1.1 million increase from the previous week. During the week ending February 9, the State recovered $1.7 million in interim payments. As of the end of that week, $324.0 million (63%) of interim payments have been recovered.

As of February 9, 2007, providers accounting for $63.5 million in interim payment balances are in a recovery plan.

MMIS FINANCIAL CYCLES FOR SFY 07

WEEK #	WEEK ENDING DATE	NBR OF CHECKS	CYCLE TOTAL	MAP		CHIP			NF		EPSDT		CHILD WELFARE	BUREAU OF HEALTH	BUREAU OF HEALTH	ADULT MENTAL HEALTH	ADULT MR	MR WAIVER	CHILDRENS BEHAVIORAL	CHILDRENS RM & BD	OSA	OSA	010 Z008	010-0137	010-0202	010-Z009
				GEN. FUND 010-0147	FED. FUND 013-0147	GEN. FUND 010-0147	FUND 013-0147	FUND 015-0147	GEN. FUND 010-0148	FED.FUND 013-0148	GEN. FUND 010-0129(3010	FED. FUND 013-0129(3010)	010-0139	010-0143(2210)	013-0143(2556)	010-14A-0732	010-14A-0705	010-14A-0987	010-14A-0731	010-14A-0136	010-14G-0844	014-14G-0948	2080	5026	9972/9975	9980
1	07/07/06	2610	52,932,206.85	10,989,631.61	27,431,922.42	375,694.75	379,908.62	419,671.02	1,957,319.22	4,574,228.66	-	-	469,006.27	212.30	21,104.73	1,554,395.95	840,659.18	2,330,627.83	1,030,352.36	90,865.55	72,641.27	152,665.67	1,909.58	4,909.78	-	234,480.08
2	07/14/06	2451	36,857,834.47	6,551,805.73	18,888,055.21	312,738.28	278,396.41	394,166.94	1,340,194.33	3,203,980.41	-	-	135,915.77	-	18,570.30	1,389,756.60	514,676.46	2,080,598.99	1,219,472.02	173,638.43	68,310.42	13,225.67	3,858.75	4,076.94	-	266,396.81
3	07/21/06	2262	33,786,162.03	5,653,970.01	16,997,368.20	275,420.26	262,310.39	274,348.62	1,518,593.42	3,334,690.10	-	-	94,281.20	-	19,291.37	1,593,214.58	539,555.18	1,668,301.52	724,436.73	234,993.66	74,089.58	216,072.57	4,549.29	4,247.69	-	296,427.66
4	07/28/06	2411	38,730,999.58	6,399,819.25	17,272,823.24	281,230.77	278,242.01	319,805.89	2,903,501.13	6,311,379.14	1,185.83	1,185.83	93,911.09	-	19,760.98	1,009,391.08	816,928.76	1,832,156.72	671,957.36	63,083.00	59,860.84	50,956.59	2,163.11	48,341.37	-	293,315.57
5	08/04/06	2145	27,681,227.74	5,190,573.10	13,944,659.65	230,652.59	218,931.32	271,201.27	1,286,727.42	2,928,420.38	1,270.50	1,270.50	94,382.74	-	17,057.01	681,575.26	346,057.81	1,538,930.23	591,089.44	58,882.18	48,594.67	55,350.85	14,778.12	7,002.74	-	153,819.96
6	08/11/06	2167	39,269,807.27	5,976,793.29	17,600,440.48	245,689.79	205,993.38	339,072.91	3,051,101.77	6,518,708.00	4,192.01	4,192.03	126,929.95	-	13,590.08	1,068,439.66	688,704.74	1,919,686.07	999,762.85	59,265.57	47,268.82	15,203.17	3,159.00	3,406.33	-	378,207.17
7	08/18/06	1896	31,923,417.08	5,551,109.91	15,783,507.68	256,900.07	281,869.21	237,871.75	1,626,686.16	3,610,597.84	-	-	102,349.49	-	31,965.54	944,625.12	498,364.14	1,901,866.45	740,653.08	85,823.64	45,992.66	38,051.87	1,017.08	48,560.19	-	135,605.18
8	08/25/06	1997	33,315,493.34	6,312,018.95	16,812,062.53	229,522.86	220,148.61	251,574.25	1,541,943.99	3,566,323.45	-	-	58,577.59	-	21,483.43	1,058,224.02	473,669.12	1,745,054.89	601,699.02	103,235.71	45,905.34	33,717.12	6,229.88	2,841.75	-	231,260.83
9	09/01/06	2182	30,961,901.45	5,215,423.01	16,670,472.34	229,892.20	251,194.83	238,376.58	1,390,116.39	3,578,486.44	-	-	58,613.57	-	22,550.48	767,461.94	417,228.60	1,321,930.98	555,820.60	25,769.00	41,359.48	27,176.77	2,594.73	4,669.96	-	142,763.55
10	09/08/06	2207	34,741,945.89	5,989,440.11	17,029,023.83	323,933.44	293,993.89	421,919.32	2,035,661.99	4,173,650.88	-	-	87,889.89	-	11,900.69	1,047,493.08	344,736.69	1,417,057.97	895,712.01	23,507.65	53,345.02	44,183.77	2,967.79	1,175.30	-	544,352.57
11	09/15/06	2091	40,308,461.87	5,686,027.47	19,747,305.83	262,875.06	250,027.36	297,933.12	2,206,396.86	4,891,110.38	-	-	67,605.94	-	17,352.26	1,024,825.74	677,203.13	3,993,351.78	726,207.20	113,898.48	42,236.35	25,555.02	2,001.40	39,185.11	-	237,363.38
12	09/22/06	2288	35,795,507.22	6,226,864.65	18,380,138.30	319,137.57	349,657.23	324,493.71	1,675,651.02	3,630,867.95	-	-	71,335.16	-	19,726.80	1,388,209.75	438,983.37	1,858,820.62	750,655.84	33,701.66	50,890.81	45,445.31	1,851.46	1,237.02	-	227,838.99
13	09/29/06	2114	32,859,723.46	5,907,567.90	16,624,941.39	297,450.68	331,413.37	272,550.41	1,453,372.88	3,439,174.38	-	-	116,415.34	-	12,392.40	881,409.46	334,455.03	2,038,207.42	587,807.32	151,305.28	51,335.67	37,827.97	23,649.16	53,851.77	-	244,595.63
14	10/06/06	2133	27,949,399.22	5,233,552.53	14,042,138.79	298,220.48	342,905.62	253,970.39	1,242,090.98	2,734,081.17	-	-	49,230.14	-	16,478.90	650,763.23	415,250.56	1,715,226.14	556,302.85	101,238.28	49,695.29	22,226.25	3,041.35	1,605.00	-	221,381.27
15	10/13/06	2001	44,946,679.27	6,725,726.11	20,124,084.49	378,056.08	374,905.49	423,169.73	3,451,052.23	7,033,687.74	-	-	127,387.61	-	14,163.96	1,272,617.42	675,621.24	2,735,997.60	962,411.54	125,098.21	49,636.84	10,710.38	8,763.18	21,400.72	-	432,188.70
16	10/20/06	2056	67,598,926.53	18,926,770.06	39,243,710.74	289,115.08	358,904.21	225,866.56	1,402,246.74	3,143,616.35	-	-	94,737.71	-	15,561.30	1,095,484.92	413,174.03	1,511,409.94	590,968.92	19,976.45	46,098.92	28,445.62	6,863.44	20,401.49	-	165,574.05
17	10/27/06	2239	35,352,139.40	6,226,621.41	17,371,068.42	370,436.27	441,609.77	285,989.35	1,663,246.19	3,983,292.77	2,621.52	2,621.52	47,880.30	-	22,186.05	1,161,549.75	409,236.07	2,270,372.98	719,813.60	26,388.38	67,123.02	49,384.66	6,577.16	483.77	-	221,634.44
18	11/03/06	2294	30,559,313.12	5,052,192.23	15,334,377.40	516,838.71	728,795.49	270,835.67	1,293,270.81	3,020,877.80	1,310.76	1,310.76	24,392.15	-	13,278.41	662,171.30	421,382.22	1,450,603.70	464,711.14	36,185.29	69,555.67	11,078.03	2,997.22	-	-	183,148.36
19	11/10/06	2193	43,865,060.56	5,789,614.09	21,976,562.68	377,177.96	396,916.41	490,118.38	3,039,398.32	6,383,681.51	1,092.30	1,092.30	62,042.96	-	13,160.51	1,160,987.60	726,106.88	2,086,430.47	766,023.07	58,781.03	57,328.44	15,185.38	-	-	-	463,360.27
20	11/17/06	1967	31,410,672.57	5,343,393.16	16,067,470.21	298,851.15	383,572.18	211,470.23	1,413,108.95	3,401,758.28	873.84	873.84	33,354.18	-	12,059.85	1,229,083.80	564,498.99	1,307,587.68	630,513.36	100,282.87	43,763.78	98,123.74	-	2,550.54	-	267,461.94
21	11/24/06	2020	29,681,393.70	5,231,118.30	15,712,634.15	289,072.96	344,315.83	248,377.88	970,356.67	2,635,568.00	-	-	9,440.76	-	10,999.43	1,104,183.07	508,828.43	1,787,313.16	550,432.79	44,801.27	47,430.72	22,785.77	-	-	-	163,734.49
22	12/01/06	1964	32,329,533.46	6,388,075.25	16,475,991.46	367,276.04	450,702.90	305,383.43	1,490,408.06	3,229,030.11	-	-	262,698.03	-	11,838.98	765,226.08	289,635.20	1,275,790.13	705,184.76	9,583.60	44,493.72	24,444.54	15,957.05	-	-	217,814.12
23	12/08/06	2085	36,302,090.14	5,826,423.01	17,123,723.71	366,120.08	475,376.42	250,589.44	2,487,387.08	5,067,376.51	-	-	42,353.37	-	11,432.16	646,031.31	443,100.09	2,325,341.98	639,495.88	100,757.62	51,975.15	28,334.10	4,872.66	2,649.84	96,535.89	312,213.84
24	12/15/06	2428	46,550,118.71	7,589,016.20	23,791,781.83	466,062.28	488,352.35	489,093.84	2,299,118.91	5,142,504.49	-	-	83,010.01	-	14,840.97	1,396,009.86	727,227.83	2,363,147.49	1,130,525.38	121,757.49	65,920.27	36,543.26	7,198.17	-	-	338,008.08
25	12/22/06	2203	32,869,507.65	5,466,534.36	16,649,230.87	332,406.07	399,953.33	284,414.99	1,574,871.90	3,601,040.30	1,092.30	1,092.30	33,256.00	-	15,619.25	1,197,161.73	506,427.40	1,783,625.03	668,274.00	34,362.93	65,287.64	35,303.49	784.50	2,035.65	-	216,733.61
26	12/29/06	2497	40,668,306.44	7,650,676.72	22,178,489.72	455,150.79	608,884.28	291,459.69	1,298,797.72	3,084,115.14	-	-	115,116.17	-	26,336.99	908,754.82	608,126.53	2,248,070.13	711,472.19	71,045.54	71,516.63	44,079.87	9,468.49	35,633.74	-	251,111.28
27	01/05/07	1833	24,115,961.06	4,418,298.67	12,190,841.16	237,036.66	292,307.50	187,809.03	1,153,159.07	2,617,390.56	-	-	21,218.98	-	9,193.43	461,005.38	302,913.50	1,537,543.79	443,515.24	25,872.95	46,416.11	37,467.12	1,474.40	1,073.85	-	131,423.66
28	01/12/07	1935	39,501,387.95	6,053,759.44	18,303,105.28	296,481.37	318,719.82	303,983.00	2,866,827.09	6,109,542.08	-	-	85,485.43	-	9,567.42	952,128.62	693,763.17	1,983,449.36	888,937.19	85,380.14	53,008.98	10,501.00	679.90	49.65	-	486,019.01
29	01/19/07	2075	34,215,096.76	5,994,361.91	18,448,717.57	315,007.42	385,662.15	254,414.62	1,276,446.66	2,930,348.46	-	-	70,558.73	-	13,225.71	1,186,859.18	454,006.48	2,016,675.98	732,641.53	68,073.96	45,526.58	22,303.46	250.39	-	15.97	-
30	01/26/07	2253	34,157,650.17	4,947,343.71	18,198,620.35	409,419.78	542,305.46	273,008.77	1,535,249.98	3,599,095.86	-	-	75,984.84	-	12,906.56	1,277,282.49	478,535.92	1,950,394.63	699,837.12	27,159.67	69,028.29	56,537.84	4,641.00	297.90	-	-
31	02/02/07	2163	28,568,049.65	5,678,456.31	15,202,338.02	320,484.04	365,043.54	299,443.47	968,379.95	2,265,147.91	-	-	44,352.17	-	8,102.96	689,886.78	249,092.76	1,458,459.20	475,996.38	30,581.89	50,593.85	18,433.11	27,279.30	10,340.09	-	405,637.92
32	02/09/07	2039	33,608,310.15	6,007,842.75	16,051,745.30	246,118.36	297,496.08	211,027.45	2,253,114.14	4,570,274.11	-	-	83,155.89	-	14,329.88	1,044,547.59	385,871.51	1,481,516.94	590,137.20	70,205.57	44,563.21	17,775.78	1,530.53	259.71	-	236,798.15
33	02/16/07	1991	33,093,964.63	5,680,536.29	17,451,425.54	289,854.60	342,304.88	245,709.92	1,296,432.71	3,235,500.40	-	-	36,548.97	-	8,090.09	814,189.96	593,171.53	1,959,283.03	706,599.04	77,500.71	57,951.00	35,885.03	-	222.79	-	262,758.14
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52			-																							
	GRAND-TOTAL	71,190	1,196,508,249.39	212,881,357.50	605,120,778.79	10,560,324.50	11,941,120.34	9,869,121.63	58,962,230.74	131,549,547.56	13,639.06	13,639.08	2,979,418.40	212.30	520,120.88	34,084,947.33	16,797,192.57	62,894,830.85	23,729,419.01	2,453,003.66	1,798,745.06	1,380,980.78	175,108.09	322,510.69	96,551.86	8,363,448.71
	AVERAGE CYCLE FOR SFY07	2,157	36,257,825.74	6,450,950.23	18,336,993.30	320,009.83	361,852.13	299,064.29	1,786,734.26	3,986,349.93	413.30	413.31	90,285.41	6.43	15,761.24	1,032,877.19	509,005.84	1,905,903.97	719,073.30	74,333.44	54,507.43	41,847.90	3,367.46	6,202.13	2,925.81	253,437.84

MMIS PHARMACY PAYMENTS FOR SFY 07
MEPOP

WEEK #	RUN DATE	PERIOD	SCHED. DATE OF PMT.	# OF CHECKS	TOTAL	CHIP			MAP		NF							
						GEN FUND 010-0147	FED. FUND 013-0147	FED. FUND 015-0147	GEN. FUND 010-0147	FED. FUND 013-0147	GEN. FUND 010-0148	FED.FUND 013-0148	GEN. FUND 010-Z009	GEN. FUND 010-Z008	GEN. FUND 010-0139	GEN. FUND 010-0129	FED.FUND 013-0129	GEN. FUND 010-0202
1	07/03/06	06/22/06-06/28/06	07/05/06	323	3,489,260.14	127,242.41	180,453.20	64,385.33	1,125,120.17	1,852,188.90	23,592.17	39,998.80	5,604.00	7,367.84	1,518.46	-	-	61,788.86
2	07/10/06	06/29/06-07/05/06	07/12/06	318	3,203,298.38	103,890.99	151,706.64	42,786.44	1,041,635.79	1,710,761.33	27,428.30	46,503.14	6,219.36	6,953.74	1,399.23	-	-	64,013.42
3	07/17/06	07/06/06-07/12/06	07/19/06	318	3,483,824.28	114,005.53	163,658.06	49,306.86	1,138,610.06	1,862,849.68	26,873.79	45,563.39	5,896.62	9,756.92	2,301.40	-	-	65,001.97
4	07/24/06	07/13/06-07/19/06	07/26/06	320	3,405,590.29	120,487.11	173,971.15	52,898.76	1,101,972.34	1,827,736.27	19,200.96	32,555.25	5,483.71	8,263.59	1,134.07	-	-	61,887.08
5	07/31/06	07/20/06-07/26/06	08/02/06	321	3,518,551.97	118,794.96	172,886.64	51,496.19	1,144,799.68	1,891,113.79	22,141.79	37,540.17	5,449.65	8,395.21	674.11	-	-	65,259.78
6	08/07/06	07/27/06-08/02/06	08/09/06	323	3,404,201.82	117,530.24	162,128.58	64,284.65	1,095,757.66	1,823,718.99	19,028.83	32,262.77	6,099.47	14,314.59	2,294.99	-	-	66,781.05
7	08/14/06	08/0306-08/09/06	08/16/06	322	3,338,213.61	119,137.36	158,443.38	50,585.16	1,080,248.71	1,763,623.03	18,959.37	32,145.37	5,371.96	35,185.96	887.89	-	-	73,625.42
8	08/21/06	08/10/06-08/16/06	08/23/06	321	3,356,860.30	111,745.79	157,377.50	54,668.35	1,093,192.94	1,784,158.98	23,298.96	39,502.02	5,532.63	11,796.64	1,834.18	-	-	73,752.31
9	08/28/06	08/17/06-08/23/06	08/30/06	324	3,548,001.75	144,121.51	206,027.79	64,744.39	1,116,671.47	1,872,501.03	21,305.56	36,122.79	5,347.81	13,809.24	1,094.31	-	-	66,255.85
10	09/04/06	08/24/06-08/30/06	09/06/06	318	3,651,680.63	146,270.66	198,673.38	83,988.90	1,149,397.70	1,921,320.16	19,005.73	32,224.55	4,943.76	24,254.34	975.97	-	-	70,625.48
11	09/11/06	08/31/06-09/06/06	09/13/06	320	3,466,975.35	129,158.32	188,957.37	50,875.06	1,112,058.22	1,849,381.65	16,757.03	28,411.16	4,344.83	6,216.13	1,320.91	-	-	79,494.67
12	09/18/06	09/07/06-09/13/06	09/20/06	321	3,564,563.87	160,931.66	234,972.66	63,784.43	1,109,237.56	1,860,778.37	15,785.66	26,764.58	4,858.27	5,869.15	453.41	-	-	81,128.12
13	09/25/06	09/14/06-09/20/06	09/27/06	324	3,681,610.38	153,328.47	217,424.58	72,752.32	1,146,537.12	1,919,499.05	15,358.91	26,041.35	4,744.09	46,617.76	2,988.29	-	-	76,318.44
14	10/02/06	9/21/06-9/27/06	10/04/06	327	3,736,664.71	155,962.04	219,457.22	85,456.23	1,160,077.96	1,958,376.09	20,918.72	36,034.31	6,918.30	10,856.55	1,345.67	-	-	81,261.62
15	10/09/06	09/28/06-10/04/06	10/11/06	320	3,633,413.22	146,172.06	215,363.59	61,753.29	1,132,503.46	1,915,815.78	17,899.14	30,815.66	5,343.62	9,255.61	1,609.50	-	-	96,881.51
16	10/16/06	10/05/06-10/11/06	10/18/06	322	3,471,077.54	152,278.45	216,804.23	76,653.72	1,068,916.33	1,815,901.37	11,901.40	20,279.34	4,407.28	5,332.87	1,667.11	310.62	312.48	96,312.34
17	10/23/06	10/12/06-10/18/06	10/25/06	319	3,611,890.88	156,231.86	232,016.76	62,590.61	1,115,576.46	1,883,185.30	16,825.28	28,573.67	4,701.86	7,156.04	765.00	-	-	104,268.04
18	10/30/06	10/19/06-10/25/06	11/01/06	327	4,016,715.71	169,586.46	258,307.67	58,668.15	1,258,391.33	2,122,467.80	14,889.25	25,538.27	5,189.19	5,510.46	1,725.83	-	-	96,441.30
19	11/06/06	10/26/06-11/01/06	11/08/06	328	3,842,733.13	184,005.60	287,999.72	52,721.25	1,171,478.74	1,985,081.72	14,232.42	24,500.13	6,825.91	8,066.09	1,262.40	-	-	106,559.15
20	11/13/06	11/02/06-11/08/06	11/15/06	323	3,592,945.44	160,253.09	235,791.94	66,327.32	1,105,206.59	1,860,329.08	10,176.67	17,529.90	6,012.79	13,533.75	1,522.49	-	-	116,261.82
21	11/20/06	11/09/06-11/15/06	11/20/06	324	3,591,547.55	157,399.89	235,674.59	59,696.43	1,110,031.25	1,874,990.06	9,396.62	16,186.38	8,569.18	8,933.88	1,865.45	-	-	108,803.82
22	11/27/06	11/16/06-11/22/06	11/29/06	320	3,954,554.09	173,751.06	258,121.94	70,562.11	1,217,672.78	2,058,920.25	4,085.80	7,036.99	13,040.34	39,601.82	2,689.47	-	-	109,071.53
23	12/04/06	11/23/06-11/29/06	12/06/06	323	3,217,165.86	146,105.15	205,568.69	78,036.73	990,975.51	1,670,143.99	2,116.90	3,646.23	11,620.85	6,546.11	1,914.38	-	-	100,491.32
24	12/11/06	11/30/06-12/06/06	12/13/06	320	4,056,248.36	177,084.20	265,845.13	66,317.57	1,248,132.57	2,107,107.90	14,400.48	24,777.13	9,983.68	6,830.83	290.62	-	-	135,478.25
25	12/18/06	12/07/06-12/13/06	12/20/06	327	3,706,736.73	165,846.29	249,713.98	59,692.58	1,128,982.98	1,932,020.45	13,473.80	23,209.53	8,510.73	11,007.85	1,992.85	-	-	112,285.69
26	12/25/06	12/14/06-12/20/06	12/27/06	328	4,141,067.69	189,213.25	273,462.75	89,300.97	1,263,753.29	2,139,945.88	16,978.00	29,196.43	7,829.13	5,077.57	3,480.12	-	-	122,830.30
27	01/01/07	12/21/06-12/27/06	01/03/07	324	3,292,979.56	153,017.26	218,908.82	75,481.36	989,125.69	1,696,463.30	17,603.49	30,323.54	7,654.78	5,007.79	2,229.08	-	-	97,164.45
28	01/05/07	12/28/06-01/03/07	01/10/07	321	3,795,293.97	161,636.54	244,636.86	57,741.24	1,171,814.39	1,986,443.77	16,370.09	28,198.91	6,064.98	7,995.24	3,092.83	-	-	111,299.12
29	01/12/06	01/04/07-01/10/07	01/17/07	327	4,132,536.08	183,331.32	274,954.05	67,984.92	1,281,839.76	2,173,203.81	19,273.48	32,732.43	7,886.99	6,885.58	1,701.66	-	-	82,742.08
30	01/19/06	01/11/07-01/17/07	01/24/07	328	3,887,244.08	172,190.94	263,323.43	55,089.41	1,199,169.70	2,042,439.80	11,612.77	19,835.74	7,894.13	37,926.55	1,423.34	-	-	76,338.27
31	01/26/06	01/18/07-01/24/07	01/31/07	329	3,977,858.39	177,759.65	260,720.32	76,808.27	1,225,847.08	2,091,699.21	16,982.18	29,253.15	8,667.59	8,761.38	3,197.90	-	-	78,161.66
32	02/02/06	01/25/07-01/31/07	02/07/07	323	3,977,671.33	181,685.17	258,339.62	91,905.55	1,226,372.43	2,071,961.65	20,534.39	35,371.75	7,551.27	7,588.90	1,936.72	-	-	74,423.88
33	02/09/06	02/01/07-02/07/07	02/14/07	327	4,154,817.98	178,855.24	266,951.48	69,442.62	1,292,997.58	2,201,775.63	17,754.99	30,583.85	7,487.24	7,701.75	1,078.91	-	-	80,188.69
34					-													
35					-													
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50					-													
51					-													
52					-													
	GRAND-TOTAL			10,660	120,903,795.07	5,009,010.53	7,308,643.72	2,148,787.17	37,814,105.30	63,527,904.07	556,162.93	949,258.68	222,056.00	418,377.73	55,668.55	310.62	312.48	2,893,197.29
	AVERAGE PAYMENTS FOR SFY 07			323	3,663,751.37	151,788.20	221,474.05	65,114.76	1,145,881.98	1,925,088.00	10,695.44	28,765.41	6,728.97	12,678.11	1,686.93	9.41	9.47	87,672.65

FY09
COMPOSITE

		TANF/AFDC	Child Support	Child Welfare (Net 25%) 50% of IV-E Eligible	Other Child & Family Services	Adult Services (Capped)	Elder Services (Capped)	Medical Assistance	Survey & Utilization	Licensing Certification	Food Stamps	ASPIRE/JOBS	Health Programs	Disability Determination	Title XVIII L-T-C	Other Program	CON	Mental Health	Mental Retardation	Children	Substance Abuse	Fraud Elderly	Hospital Cooperation	Tobacco	Victim Advocates	Total
		100%	66%		50%	100%	100%	50%	50%	50%	50%	100%	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	
AAG	FFP amount	13,431	559,070	485,554	21,034	0	0	132,469	0	18,019	12,747	6,032	0	0	0	0	0	0	0	0	0	0	0	0	0	1,248,355
	non FFP amount	0	288,006	1,456,661	21,034	2,413	113,458	132,469	0	18,019	12,747	0	0	0	0	27,463	45,351	2,734	4,101	0	0	0	0	0	0	2,124,455
	Total all AAG	13,431	847,076	1,942,214	42,067	2,413	113,458	264,938	0	36,038	25,495	6,032	0	0	0	27,463	45,351	2,734	4,101	0	0	0	0	0	0	3,372,810
Paralegal	FFP amount		237,127	24,709																						261,835
	non FFP amount		122,156	74,126																						196,282
	Total all paralegal		359,283	98,834																						458,117
0696 Support	FFP amount	4,895	224,505	199,664	7,666	0	0	48,282	0	6,567	4,646	2,198	0	0	0	0	0	0	0	0	0	0	0	0	0	498,424
	non FFP amount	0	115,654	598,993	7,666	879	41,352	48,282	0	6,567	4,646	0	0	0	0	21,186	16,529	997	1,495	0	0	0	0	0	0	864,245
	Total all support staff and All Other	4,895	340,159	798,657	15,332	879	41,352	96,563	0	13,135	9,292	2,198	0	0	0	21,186	16,529	997	1,495	0	0	0	0	0	0	1,362,669
Total 0696	FFP amount	18,326	1,020,701	709,926	28,700	0	0	180,751	0	24,586	17,393	8,230	0	0	0	0	0	0	0	0	0	0	0	0	0	2,008,614
	non FFP amount	0	525,816	2,129,779	28,700	3,292	154,810	180,751	0	24,586	17,393	0	0	0	0	48,648	61,880	3,731	5,596	0	0	0	0	0	0	3,184,982
	Total program 0696	18,326	1,546,517	2,839,705	57,400	3,292	154,810	361,501	0	49,173	34,787	8,230	0	0	0	48,648	61,880	3,731	5,596	0	0	0	0	0	0	5,193,596
RE process	FFP amount	71,228	64,316	26,578	0	0	0	179,686	0	0	35,614	0	86,916	0	0	0	0	0	0	0	0	0	0	120,860	176,206	761,404
	non FFP amount	0	33,133	26,578	0	0	0	179,686	0	0	35,614	0	0	0	0	0	0	227,311	26,492	52,984	38,889	0	0	0	0	620,686
	Total PS and AO RE group	71,228	97,449	53,155	0	0	0	359,371	0	0	71,228	0	86,916	0	0	0	0	227,311	26,492	52,984	38,889	0	0	120,860	176,206	1,382,089
Total	FFP amount	89,554	1,085,018	736,504	28,700	0	0	360,436	0	24,586	53,007	8,230	86,916	0	0	0	0	0	0	0	0	0	0	120,860	176,206	2,770,017
	non FFP amount	0	558,946	2,156,356	28,700	3,292	154,810	360,436	0	24,586	53,007	0	0	0	0	48,648	61,880	231,041	32,088	52,984	38,889	0	0	120,860	176,206	3,805,668
	Total PS and AO for 0696 and RE group	89,554	1,643,966	2,892,860	57,400	3,292	154,810	720,872	0	49,173	106,015	8,230	86,916	0	0	48,648	61,880	231,041	32,088	52,984	38,889	0	0	120,860	176,206	6,575,685
	GF Need	0	525,816	2,129,779	28,700	3,292	154,810	180,751	0	24,586	17,393	0	0	0	0	48,648	61,880	3,731	5,596	0	0	0	0	0	0	3,184,982 Total

February 22, 2007

Attached is the update to MaineCare expenditures forecast through Cycle #33; the MECMS and MEPOPS cycle detail through week #33; and the Interim Recovery Snapshot report through 02/09/07, week #32.

The summary is as follows:

Through Week #33:

- average cycle for the year decreased slightly from $40.0MM from $39.9MM

- the general fund carry forward has decreased from $47.0MM to $45MM (this amount is a gross amount; it doesn't assume use of any of the $30MM cushion)

- this week's cycle was high and totaled $51.9MM

- we did cap this cycle due to its volume; we carried approximately $14.7MM total state/federal and paid out $37.2MM

- interim recoveries through 02/09/07 total $324MM (63%), of which $83.4MM has been recovered in FY07

- an analysis has been completed of five major seed accounts which shows that 25% (total of approximately $27MM of general fund) of the claims processed between July 1 and December 31, 2006 were for a fiscal year other than FY07

2006-07 MaineCare and Related State-Funded Services - Expenditures To-Date vs. Budget

Through Cycle 33 - week ending February 17, 2007

Positive numbers indicate increase to available allotment. Negative numbers indicate use of allotment.

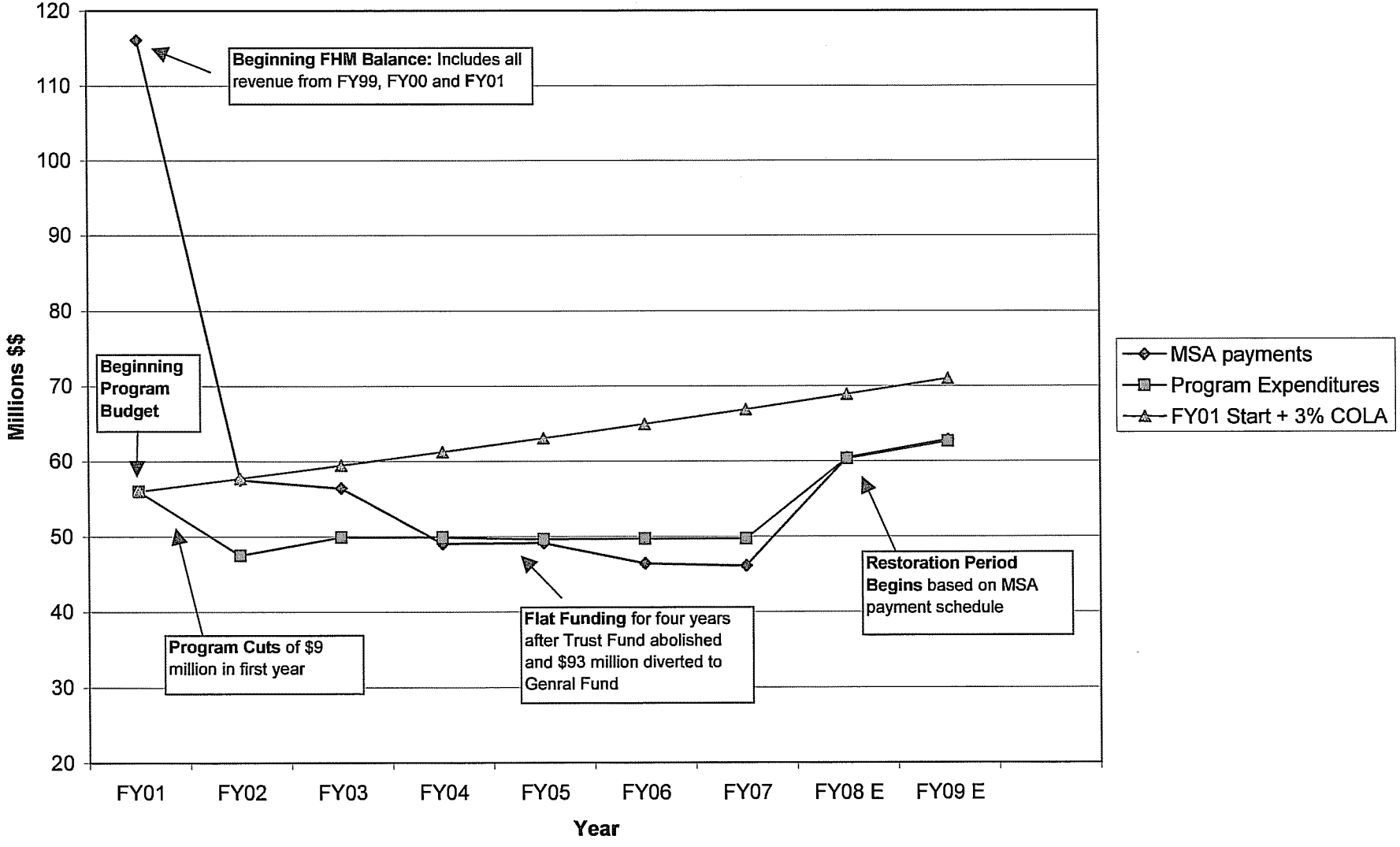
		Program	Fund	2005-06 Appropriation\ Allocation Thru 122nd 2R	2005-06 Allotment	2005-06 Expenditures	2005-06 Unexpended Balance	2006-07 Appropriation\ Allocation Thru 122nd 2R [2]	2006-07 Allotment [2]	Expenditures as of 2/17/07 (Week 33 of 52)	2006-07 Average Allotment Per Week	2006-07 Average Expenditures Per Week	2006-07 Average Weekly Variance	Formula = [Expenditures / (2006-07 Avg. Allot per Wk * # of Weeks)]	2006-07 Projected Variance	Add Back *	Impact of Expenditure Transfers on allotment due to Changes to Tax Revenue (to RFC in Feb 07)	Additional Interim Recovery (Total $160M)	Capping Cycles ($36.5M)	Revised Budget Request	Potential Financial Order	Ending FY07 MaineCare GF accounts allotment	Additional Budget Appropriation	FY07 General Fund Expenditures Carried into FY08	Expenditures Capped Through 2/17/07
0147	1	Medical Care - Payments to Providers (MAP)	GF	$443,133,094	$449,943,396	$420,782,704	$29,160,692	$327,531,694	$329,276,043	$243,450,474	$6,332,232	$7,377,287	($1,045,055)	117%	($54,342,885.73)	$23,850,438.04	$3,108,531.00	$17,380,306.09	23,561,622	($19,361,695.00)	$8,187,542.84	$2,383,859.70	30,000,000.00	(6,438,377.54)	
0202	1	Drugs for Maine Elderly	GF	$10,427,052	$10,427,052	$814,229	$9,612,823	$8,827,168	$18,439,990	$3,643,134	$354,615	$110,398	$244,217	31%	$12,699,294.00									-	
Z008	1	Maternal and Child Health Block Grant Match	GF	$5,245,630	$5,245,630	$4,794,742	$450,888	$5,245,159	$5,638,198	$3,262,337	$108,427	$98,859	$9,568	91%	$497,545.76									-	
Z009	1	State Boarding Homes	GF	$5,256,535	$5,256,535	$5,255,799	$736	$4,940,353	$8,440,353	$5,410,381	$162,314	$163,951	($1,636)	101%	($85,095.85)				523,627			$438,531.62		$23,627.46	
0139	1	Child Welfare Medicaid	GF	$2,600,000	$2,600,000	$3,293,796	($693,796)	$2,600,000	$2,600,000	$2,436,608	$50,000	$73,837	($23,837)	148%	($1,239,503.52)				235,820	$1,259,423.00	($248,062.60)	$7,676.67		235,819.78	
		Subtotal MAP and Related GF Accounts		$466,662,311	$473,472,613	$434,941,271	$38,578,825	$349,144,374	$364,394,584	$258,202,934	$7,007,588	$7,824,331	($816,743)	112%	($42,470,645)									-	
0147	1	MAP - Other Special Revenue - FNMI Tax	OSR	$14,353,972	$14,353,972	$14,237,864	$116,108	$14,712,821	$16,395,250	$9,582,486	$315,293	$290,378	$24,915	92%	$1,295,575.09									-	
0147	3	MAP - Other Special Revenue - Dirigo	OSR *	$21,174,900	$21,174,900	$60,434	$21,114,466	$30,302,081	$30,302,081	$1,682,285	$582,732	$50,978	$531,754	9%	$27,651,207.67									-	
0147	4	MAP - Other Special Revenue - Hospital Tax	OSR	$53,672,418	$53,982,418	$53,672,418	$310,000	$55,819,315	$56,405,614	$29,660,793	$1,084,723	$898,812	$185,911	83%	$9,667,394.73		($3,108,531.00)							-	
0147	5	MAP - Other Special Revenue - Drug Rebates	OSR	$35,191,452	$41,274,872	$41,213,960	$60,912	$39,244,729	$39,466,129	$15,383,538	$758,964	$466,168	$292,796	61%	$15,225,402.45									-	
0960	1	FHM - Medical Care	FHM	$6,964,512	$6,964,512	$6,880,820	$83,692	$7,045,145	$7,127,129	$1,181,477	$137,060	$35,802	$101,258	26%	$5,265,407.67									-	
Z015	1	FHM - Drugs for the Elderly & Disabled	FHM	$9,664,409	$9,664,409	$7,431,659	$2,232,750	$8,898,741	$11,131,491	$2,149,481	$214,067	$65,136	$148,931	30%	$7,744,430.03									-	
0202	1	Drugs for Maine Elderly	OSR	$0	$0	$0	$0	$2,660,907	$2,660,907	$0	$51,171	$0	$51,171	0%	$2,660,907.00									-	
		Subtotal MAP and Related OSR Accounts		$141,021,663	$147,415,083	$123,497,155	$23,917,928	$158,683,739	$163,488,601	$59,640,060	$3,144,012	$1,807,275	$1,336,737	57%	$69,510,325									-	
0148	1	Nursing Facilities	GF	$64,799,990	$57,099,990	$55,979,618	$1,120,372	$66,579,689	$67,703,661	$38,766,282	$1,301,993	$1,174,736	$127,258	90%	$6,617,398.45				3,751,878	($7,546,044.00)	($4,146,408.75)	($1,323,176.20)		3,751,878.10	
0148	2	NF - Other Special Revenue - NF Tax	OSR	$32,700,000	$35,120,825	$31,422,029	$3,698,796	$33,210,000	$35,606,172	$19,788,845	$684,734	$599,662	$85,072	88%	$4,423,749.58									-	
		Subtotal NF		$97,499,990	$92,220,815	$87,401,647	$4,819,168	$99,789,689	$103,309,833	$58,555,127	$1,986,728	$1,774,398	$212,330	89%	$11,041,148									-	
0705	12	Medicaid Services - Mental Retardation	GF	$16,096,369	$16,420,349	$16,322,996	$97,353	$17,098,885	$17,196,238	$13,780,284	$330,697	$417,584	($86,887)	126%	($4,518,148.91)		$3,053,736.00		1,333,683	$1,431,628.00	($1,752,014.06)	($451,115.60)		1,333,683.37	
0705	2, 3	Medicaid Services - MR - Service Provider Tax	OSR	$10,268,809	$10,268,809	$10,085,314	$183,495	$531,779	$531,779	$308,642	$10,227	$9,353	$874	91%	$45,434.03		($11,550.00)							-	
0705		Medicaid Services - Service Provider Tax - 52	OSR	$0	$0	$0	$0	$9,750,000	$10,716,866	$8,859,213	$206,094	$268,461	($62,367)	130%	($3,243,106.00)		($2,998,545.00)							-	
0978	1	Residential Treatment Facility Tax	OSR	$2,005,216	$2,005,216	$1,916,975	$88,241	$2,055,346	$2,200,764	$1,288,102	$42,322	$39,033	$3,289	92%	$171,027.52		($43,641.00)							-	
0987	16	Mental Retardation Waiver - MaineCare	GF	$68,799,593	$70,245,504	$68,235,271	$2,010,233	$70,261,531	$72,271,764	$53,764,954	$1,389,842	$1,629,241	($239,399)	117%	($12,448,769.58)				5,203,479	$8,652,607.00	($1,517,594.62)	($110,277.71)		5,203,479.49	
Z006	1	Mental Retardation Supports Waiver	GF	$0	$0	$0	$0	$1,097,298	$1,097,298	$0	$21,102	$0	$21,102	0%	$1,097,298.00				-			$1,097,298.00		-	
0731	17	Mental Health Services - Child Medicaid	GF	$30,825,104	$34,836,476	$34,509,527	$326,949	$28,373,610	$28,700,558	$21,685,982	$551,934	$657,151	($105,217)	119%	($5,471,292.42)				2,098,813	$3,088,315.00	($230,263.06)	($514,427.89)		2,098,812.59	
0732	14	Mental Health Services - Community Medicaid	GF	$36,765,213	$41,395,894	$41,025,351	$370,543	$37,437,082	$37,807,625	$27,972,239	$727,070	$847,644	($120,574)	117%	($6,269,842.52)		$772,780.00		2,707,209	$3,906,108.00	($293,200.00)	$823,054.57		2,707,209.08	
0732	44	MH Services - Community Medicaid - FNMI Tax	OSR	$3,424,279	$4,458,364	$3,949,677	$508,687	$2,074,886	$2,447,358	$1,687,147	$47,065	$51,126	($4,061)	109%	($211,176.67)		($479,074.00)							-	
0732		MH Serv - Comm Medicaid - Comm Supt Tax - 46	OSR	$0	$0	$0	$0	$1,400,000	$1,760,493	$1,894,019	$33,856	$57,395	($23,539)	170%	($1,224,021.79)		($293,706.00)							-	
0844	1	Office of Sub. Abuse - Medicaid Seed	GF	$2,696,721	$2,957,432	$2,828,706	$128,726	$2,855,187	$2,983,913	$2,360,696	$57,383	$71,536	($14,153)	125%	($735,971.61)		$65,786.00		228,473	$637,909.00		$196,196.26		228,472.87	
0844	1	OSA - Medicaid Seed - FNMI Tax	OSR	$574,395	$574,395	$522,644	$51,751	$588,755	$601,856	$371,807	$11,574	$11,267	$307	97%	$15,978.30		($65,786.00)							-	
0948	1	Substance Abuse - FHM Medicaid Seed	FHM	$1,521,276	$1,521,276	$1,221,158	$300,118	$1,534,847	$1,534,847	$362,356	$29,516	$10,980	$18,536	37%	$963,861.79									-	
0733	10	Disproportionate Share - Riverview	GF	$10,443,408	$10,772,741	$10,214,922	$557,819	$10,563,521	$10,966,886	$6,418,902	$210,902	$194,512	$16,389	92%	$852,252.55									-	
0734	15	Disproportionate Share - DDPC	GF	$9,198,516	$9,297,599	$8,503,488	$794,111	$8,696,888	$8,767,622	$4,988,255	$168,608	$151,159	$17,449	90%	$907,341.39									-	
0965		DOL - Rehabilitation Services - Medicaid	GF	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0.00									-	
		Total MaineCare and Related Services Accounts																						-	
		General Fund	GF	$706,287,225	$716,498,598	$672,561,150	$43,937,448	$592,108,065	$611,890,149	$427,940,528	$11,767,118	$12,967,895	($1,200,777)	110%	($62,440,379.97)	$23,850,438	$7,000,833	$17,380,306	$39,644,605	($7,931,749)	($0)	$2,547,619	$30,000,000	$9,644,605	$ 5,400,017 *
		Fund for a Healthy Maine	FHM	$18,150,197	$18,150,197	$15,533,637	$2,616,560	$17,478,733	$19,793,467	$3,693,314	$380,644	$111,919	$268,725	29%	$13,973,699.48	$0	$0	$0	$0	$0	$0	$0	$0	$0	
		Other Special Revenue Funds	OSR	$152,190,541	$162,038,871	$157,020,881	$5,017,990	$162,048,538	$168,793,188	$88,824,592	$3,246,023	$2,691,654	$554,369	83%	$28,827,164.24	$0	($7,000,833)	$0	$0	$0	$0	$0	$0	$0	
		Dirigo Health Fund OSR	OSR *	$21,174,900	$21,174,900	$60,434	[2]	$30,302,081	$30,302,081	$1,682,285	[2]	[2]	[2]												
				$897,802,863	$917,862,566	$845,176,102	$51,571,998	$801,937,417	$830,778,885	$522,140,719	$15,393,785	$15,771,468	($377,683)	103%	($19,639,516)								Total General Fund Carried Amount		$15,044,621.92
0129	10	Office of MaineCare Services		$19,656,140	$21,227,417	$18,960,123	$2,267,294	$16,240,633	$41,632,592	$26,134,423	$800,627	$791,952	$8,675	99%	*$451,076.97*										
		Personal Services		*$4,845,468*	*$5,235,524*	*$5,090,621*	*$144,903*	*$4,434,802*	*$5,003,293*	*$3,179,195*	*$96,217*	*$96,339*	*($122)*	100%	*($6,352.33)*										
		All Other		*$14,810,672*	*$15,991,893*	*$13,869,502*	*$2,122,391*	*$11,805,831*	*$36,629,299*	*$22,955,228.00*	*$704,410*	*$695,613*	*$8,797*	99%	*$457,429.30*										
		Capital		*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*												

[2] Budgeted allotment and expenditures funded by the transfer of funds from the Dirigo Health Fund have been significantly less than budgeted making comparisons with budgeted amounts misleading.

GF = General Fund
FHM = Fund for a Healthy Maine
OSR = Other Special Revenue Funds
OSR * = Other Special Revenue Funds - Dirigo Health Fund

* Add backs include: Hospital Settlements and reduction to monthly Clawback
* Cap amount for week #33 totaled $14,713,942, assumed general fund of .3670

FHM Revenue and Expenditures



CRITICAL INSIGHTS

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Prepared for:

Maine Coalition on Smoking or Health

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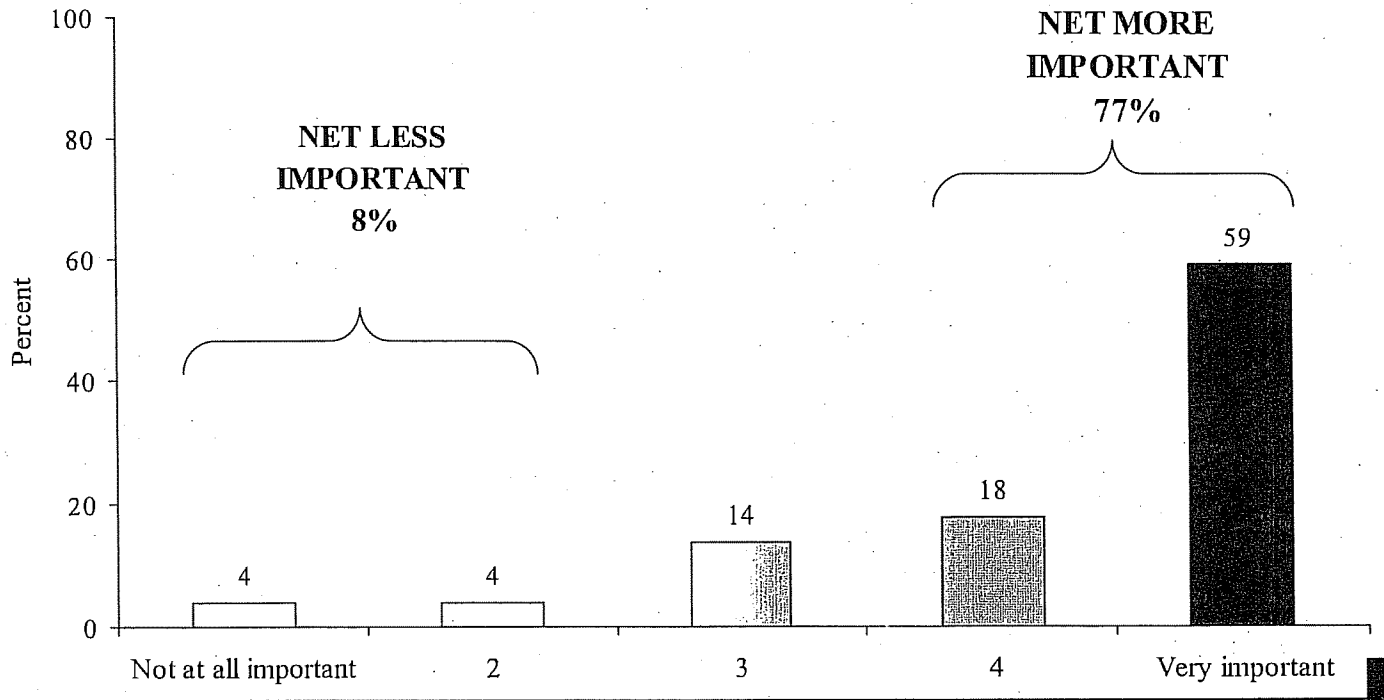
DRAFT

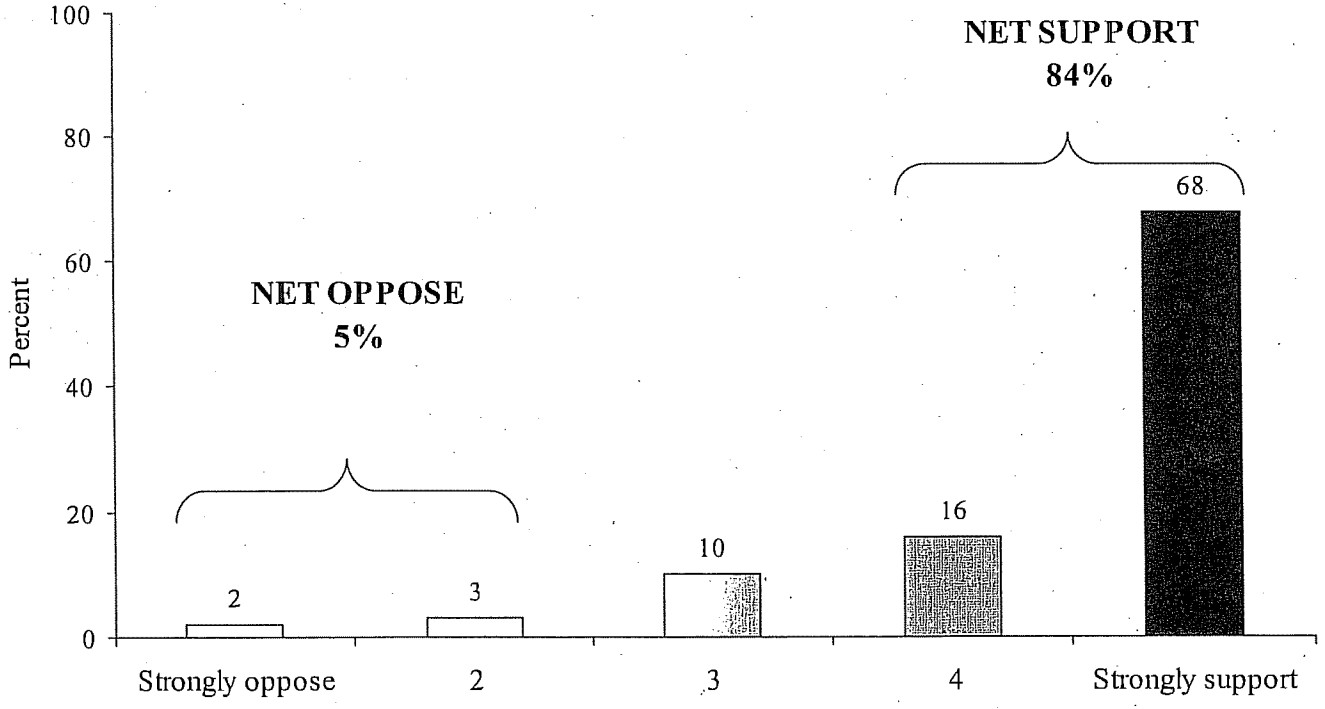
Perceived Importance of Maine's Continued Dedication of Tobacco Settlements to Fund Tobacco Prevention and Health Programs

As a result of its settlement of a lawsuit against the tobacco industry, Maine currently receives millions of dollars per year from the tobacco companies. The tobacco settlement dollars are dedicated to the Fund for a Healthy Maine. This funding is used for a number of health programs, including programs to prevent kids from becoming smokers, health education in schools, disease prevention programs and prescription drugs for the elderly. However, In recent years, funding for these programs has been cut. How important is it to you personally for the state to continue to dedicate all of the tobacco settlement funds to tobacco prevention and health programs, even if the state is facing a budget shortfall?



Support for Dedicating Future Tobacco Settlement Money to the Fund for a Healthy Maine

For 10 years beginning in 2008, Maine will receive larger tobacco settlement payments from the tobacco companies than they already receive. Using a scale of 1 to 5 where a 1 means "strongly oppose" and a 5 means "strongly support," please tell me whether you would support or oppose the state dedicating this additional tobacco settlement money to the Fund for a Healthy Maine, which would restore at least some of the recent funding cuts to disease prevention and health programs?



Equalizing the taxation of non-cigarette tobacco products to cigarette tax rates

Prepared by the Maine Coalition on Smoking or Health

April 30, 2007

(1) Current law

	Rate	Tax Revenue (approximate)
Cigarette tax	2.00/pack	$151.5 million
All other tobacco taxes:		
Smokeless	78%	$3.6 million
Smoking		
RYO	20%	$150,000
Little cigars	20%	$1.25 million
Cigars, pipe etc	20%	$400,000

(2) Additional revenue if non-cigarettes are taxed equivalent to cigarettes at $2 per pack

	Rate	Additional Tax Revenue (approximate)
Cigarette tax	2.00/pack	none
All other tobacco tax		
Smokeless	87%	$430,000 (equalize as proportion of wholesale price)
Smoking		
Loose	as cigarettes	$5 million (equalize assuming .036/ounce per cigarette based on estimates by retailers and FTC)
Little cigars	as cigarettes	$1.25 million (assuming taxed as cigarettes)
Cigars, pipe etc	20%	none (no adjustment recommended due to large variation in pricing and weight)
Sub-Total		$6,680,000
Less 18% adjustment for consumption decrease (based on Maine Revenue Services estimates		
Total Additional Tax Revenue:		**$5,477,600**

(3) Additional revenue if non-cigarettes are taxed equivalent to cigarettes at $3 per pack

	Rate	Additional Tax Revenue (approximate)
Cigarette tax	3.00/pack	
All other tobacco tax		
Smokeless	132%	$2.5 million (equalize as proportion of wholesale price)
Smoking		
Loose	as cigarettes	$6 million (equalize assuming .036/ounce per cigarette)
Little cigars	as cigarettes	$1,875,000 (assuming taxed as cigarettes)
Cigars, pipes	30%	$200,000 (adjustment proportional to cigarette increase)
Sub-Total		$10,575,000
Less 18% adjustment for consumption decrease (based on Maine Revenue Services estimates		
Total Additional Tax Revenue:		**$8,671,500**

Maine Revenue Services

Effective July 1, 2007

	FY'08	FY'09	Biennium	FY'10	FY'11	Biennium
Cigarette tax to $2.75 per pack	$48,120,000	$47,880,000	$96,000,000	$47,580,000	$47,290,000	$94,870,000
Change discount rate to 0.88%	$563,272	$558,819	$1,122,091	$553,712	$548,768	$1,102,480
General Fund - 0511	$48,683,272	$48,438,819	$97,122,091	$48,133,712	$47,838,768	$95,972,480
Sales tax - Total	$1,230,000	$1,220,000	$2,450,000	$1,200,000	$1,180,000	$2,380,000
General Fund - 0621	$1,167,270	$1,157,780	$2,325,050	$1,137,600	$1,118,640	$2,256,240
Local Government Fund - 2404	$62,730	$62,220	$124,950	$62,400	$61,360	$123,760
	94.9%	94.9%	94.9%	94.8%	94.8%	94.8%
	5.1%	5.1%	5.1%	5.2%	5.2%	5.2%
Tobacco products tax						
Smoking - 20% to 30%						
Smokeless - 78% to 117%						
General Fund - 0512	$2,260,445	$2,305,653	$4,566,098	$2,351,766	$2,398,802	$4,750,568
Sales tax - Total	$113,022	$115,283	$228,305	$117,588	$119,940	$237,528
General Fund - 0621	$107,258	$109,403	$216,661	$111,474	$113,703	$225,177
Local Government Fund - 2404	$5,764	$5,879	$11,644	$6,115	$6,237	$12,351
	94.9%	94.9%	94.9%	94.8%	94.8%	94.8%
	5.1%	5.1%	5.1%	5.2%	5.2%	5.2%
Tax little cigars as cigarettes						
(As defined in LD 1181) - GF	$3,590,000	$3,660,000	$7,250,000	$3,740,000	$3,800,000	$7,540,000
Sales tax - Total	$179,500	$183,000	$362,500	$187,000	$190,000	$377,000
General Fund - 0621	$170,346	$173,667	$344,013	$177,276	$180,120	$357,396
Local Government Fund - 2404	$9,155	$9,333	$18,488	$9,724	$9,880	$19,604
	94.9%	94.9%	94.9%	94.8%	94.8%	94.8%
	5.1%	5.1%	5.1%	5.2%	5.2%	5.2%
Total General Fund	$55,978,591	$55,845,322	$111,823,913	$55,651,828	$55,450,033	$111,101,861
Total Local Government Fund	$77,649	$77,432	$155,081	$78,239	$77,477	$155,715
Total revenue	$56,056,239	$55,922,755	$111,978,994	$55,730,066	$55,527,510	$111,257,576

FUND FOR A HEALTHY MAINE (FHM) STATUS

Based on Governor's Budget Proposals [1]

	FY 07	FY 08	FY 09
FHM RESOURCES:			
Revenue:			
December 2006 Base Revenue Estimate	$46,189,344	$60,408,950	$62,815,948
Governor's Budget Proposals [2]	$0	$0	$0
Subtotal - Revenue	$46,189,344	$60,408,950	$62,815,948
Total FHM Resources	**$46,189,344**	**$60,408,950**	**$62,815,948**
FHM ALLOCATIONS AND OTHER USES: [3]			
Transfers			
Transfers - Through 122nd Legislature	$2,571,648	$0	$0
Governor's Budget Proposals [2]	$0	$0	$0
Subtotal - Transfers	$2,571,648	$0	$0
Allocations			
Governor's Proposed Baseline Budget	$41,307,437	$49,624,293	$49,673,882
Governor's Proposed Adjustments to Baseline Budget [2]	$7,556,128	$10,670,298	$12,975,229
	$48,863,565	$60,294,591	$62,649,111
Total Allocations and Other Uses	**$51,435,213**	**$60,294,591**	**$62,649,111**
Net Change (Resources minus Allocations and Other Uses)	**($5,245,869)**	**$114,359**	**$166,837**
BEGINNING BALANCE [4]	**$5,260,296**	**$14,427**	**$128,786**
NET CHANGE (FROM ABOVE)	**($5,245,869)**	**$114,359**	**$166,837**
ENDING BALANCE	**$14,427**	**$128,786**	**$295,623**

Major Changes Proposed in Governor's 2008-2009 Biennial Budget: [2]

	FY 08	FY 09
> Provides increased funds across-the-board for 16 Fund for a Healthy Maine accounts to be funded primarily from increased revenue from MSA strategic contribution payments scheduled to begin in 2008. [5]	$7,775,754	$10,076,295
> Allocates funds for the development of a public health infrastructure.	$1,800,000	$1,800,000
> Allocates funds for the increased costs of the Tobacco Helpline and medication voucher program anticipated as a result of the increase in the cigarette tax.	$1,000,000	$1,000,000
> Transfers $1.1 million each year from the FHM - Medical Care program to a new FHM - Immunization program for the purpose of vaccine administration.	$0	$0
> Transfers and allocates funds for additional resources in the FHM - Attorney General program, to enforce the Tobacco Manufacturer's Act and the Tobacco Distributor's Act.	$108,309	$113,518
> Other proposed net changes to allocations.	($13,765)	($14,584)

NOTES:

[1] Based on all legislative changes through the 122nd Legislature, the December 2006 Revenue Forecast, the Governor's proposed Emergency FY 07 Budget Bill (LD 215) and the General Fund Unified Biennial Budget Bill as presented in the Governor's Budget Document.

[2] See separate OFPR document for a description of major changes proposed by the Governor for the FY07 Emergency Budget, LD 215.

[3] For the purposes of this summary, transfers out are treated as an expenditure/use and are positive amounts, while transfers in are negative amounts.

[4] Beginning Balance is based on the enacted legislation through the 122nd Legislature, FY06 actual balance, the December 2006 revenue forecast and the Governor's proposed Emergency FY 07 Budget (LD 215).

[5] Under the Master Settlement Agreement beginning in 2008 states will begin receiving "strategic contribution payments" based on each settling state's contribution to the original state tobacco litigation. Payments to Maine under this provision are estimated to be $10.7 million in FY 08 and $10.8 million in FY 09.

FUND FOR A HEALTHY MAINE REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007

Source	FY04 Actual	% Chg.	FY05 Actual	% Chg.	FY06 Actual	% Chg.	FY07 Budget	% Chg.	Recom. Chg.	FY07 Revised	% Chg.
Initial Payments	0	-100.0%	0	N/A	0	N/A	0	N/A	0	0	N/A
Base Payments	48,952,964	24.4%	49,033,129	0.2%	45,011,759	-8.2%	43,021,643	-4.4%	0	43,021,643	-4.4%
Racino Revenue **	0	N/A	0	N/A	1,771,173	N/A	3,097,701	74.9%	211,280	3,308,981	86.8%
Income from Investments	54,830	-92.0%	91,444	66.8%	124,780	36.5%	70,000	-43.9%	20,000	90,000	-27.9%
Attorney General Reimbursements and Other Income	0	N/A	220	N/A	39	-82.2%	0	N/A	0	0	N/A
Total - Tobacco Settlement Revenue	**49,007,794**	**-13.2%**	**49,124,793**	**0.2%**	**46,907,751**	**-4.5%**	**46,189,344**	**-1.5%**	**231,280**	**46,420,624**	**-1.0%**
Change in Biennial Totals									**231,280**		

** Racino Revenue includes a portion of the State's share of proceeds from slot machines at commercial race tracks.

FUND FOR A HEALTHY MAINE REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007

Source	FY08 Budget	% Chg.	Recom. Chg.	FY08 Revised	% Chg.	FY09 Budget	% Chg.	Recom. Chg.	FY09 Revised	% Chg.
Initial Payments	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Base Payments	57,286,505	33.2%	0	57,286,505	33.2%	58,092,962	1.4%	0	58,092,962	1.4%
Racino Revenue **	3,052,445	-1.5%	147,761	3,200,206	-3.3%	4,652,986	52.4%	219,938	4,872,924	52.3%
Income from Investments	70,000	0.0%	20,000	90,000	0.0%	70,000	0.0%	20,000	90,000	0.0%
Attorney General Reimbursements and	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Total - Tobacco Settlement Revenue	**60,408,950**	**30.8%**	**167,761**	**60,576,711**	**30.5%**	**62,815,948**	**4.0%**	**239,938**	**63,055,886**	**4.1%**
Change in Biennial Totals								**407,699**		

** Racino Revenue includes a portion of the State's share of proceeds from slot machines at commercial race tracks.

FUND FOR A HEALTHY MAINE REVENUE
(TOBACCO SETTLEMENT REVENUE)
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007

Source	FY10 Projection	% Chg.	Recom. Chg.	FY10 Revised	% Chg.	FY11 Projection	% Chg.	Recom. Chg.	FY11 Revised	% Chg.
Initial Payments	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Base Payments	62,928,997	8.3%	0	62,928,997	8.3%	66,659,065	5.9%	0	66,659,065	5.9%
Racino Revenue **	4,819,650	-1.1%	219,938	5,039,588	3.4%	4,819,650	0.0%	219,938	5,039,588	0.0%
Income from Investments	70,000	-22.2%	20,000	90,000	0.0%	70,000	0.0%	20,000	90,000	0.0%
Attorney General Reimbursements and Other Income	0	N/A	0	0	N/A	0	N/A	0	0	N/A
Total - Tobacco Settlement Revenue	**67,818,647**	**7.6%**	**239,938**	**68,058,585**	**7.9%**	**71,548,715**	**5.5%**	**239,938**	**71,788,653**	**5.5%**
Change in Biennial Totals								**479,876**		

** Racino Revenue includes a portion of the State's share of proceeds from slot machines at commercial race tracks.

Fund for a Healthy Maine (FHM) Allocations
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		Baseline		Proposed Initiatives		Total Proposed	
	2006-07	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
DEPARTMENT OF THE ATTORNEY GENERAL							
011-26A-0947-01 FHM - ATTORNEY GENERAL							
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(1.500)	(1.500)	(1.500)	(1.500)
Pers. Serv.	66,054	74,037	78,459	85,579	90,656	159,616	169,115
All Other	6,553	6,699	6,707	22,730	22,862	29,429	29,569
Program Total	72,607	80,736	85,166	108,309	113,518	189,045	198,684
Annual % Increase	5.92%	38.53%	5.49%			121.97%	5.10%
DEPARTMENT OF HEALTH AND HUMAN SERVICES (formerly BDS)							
011-14G-0948-01 FHM - SUBSTANCE ABUSE							
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	5,657,240	5,657,240	5,657,240	808,839	908,581	6,466,079	6,565,821
Program Total	5,657,240	5,657,240	5,657,240	808,839	908,581	6,466,079	6,565,821
Annual % Increase	0.24%	1.57%	0.00%			14.30%	1.54%
DEPARTMENT OF EDUCATION							
011-05A-0949-01 FHM - SCHOOL NURSE CONSULTANT							
Pos. - Leg.	(1.000)	(1.000)	(1.000)	(0.000)	(0.000)	(1.000)	(1.000)
Pers. Serv.	82,069	90,633	92,238	0	0	90,633	92,238
All Other	8,206	8,206	8,206	928	817	9,134	9,023
Program Total	90,275	98,839	100,444	928	817	99,767	101,261
Annual % Increase	1.51%	9.49%	1.62%			10.51%	1.50%
FINANCE AUTHORITY OF MAINE							
011-05A-0950-02 FHM - HEALTH EDUCATION CENTERS							
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	103,235	103,235	103,235	14,000	14,000	117,235	117,235
Program Total	103,235	103,235	103,235	14,000	14,000	117,235	117,235
Annual % Increase	1.61%	0.00%	0.00%			13.56%	0.00%
011-05A-0951-02 FHM - DENTAL EDUCATION							
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	243,235	243,235	243,235	34,500	34,500	277,735	277,735
Program Total	243,235	243,235	243,235	34,500	34,500	277,735	277,735
Annual % Increase	0.68%	0.00%	0.00%			14.18%	0.00%
011-05A-0952-02 FHM - QUALITY CHILD CARE							
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	148,592	148,592	148,592	19,200	19,200	167,792	167,792
Program Total	148,592	148,592	148,592	19,200	19,200	167,792	167,792
Annual % Increase	1.11%	2.23%	0.00%			12.92%	0.00%
DEPARTMENT OF HEALTH AND HUMAN SERVICES (formerly DHS)							
011-10A-0953-01 FHM - BUREAU OF HEALTH - ORAL HEALTH							
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	973,897	973,897	973,897	139,900	139,900	1,113,797	1,113,797
Program Total	973,897	973,897	973,897	139,900	139,900	1,113,797	1,113,797
Annual % Increase	2.71%	0.00%	0.00%			14.36%	0.00%
011-10A-0953-02 FHM - BUREAU OF HEALTH - TOBACCO PREVENTION AND CONTROL							
Pos. - Leg.	(4.000)	(4.000)	(4.000)	(0.000)	(0.000)	(4.000)	(4.000)
Pers. Serv.	269,111	282,364	291,596	0	0	282,364	291,596
All Other	6,539,145	6,439,145	6,439,145	1,939,200	2,039,200	8,378,345	8,478,345
Program Total	6,808,256	6,721,509	6,730,741	1,939,200	2,039,200	8,660,709	8,769,941
Annual % Increase	0.55%	-1.27%	0.14%			27.21%	1.26%
011-10A-0953-06 FHM - BUREAU OF HEALTH - HOME VISITS							
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	4,715,713	4,715,713	4,715,713	667,000	717,000	5,382,713	5,432,713
Program Total	4,715,713	4,715,713	4,715,713	667,000	717,000	5,382,713	5,432,713
Annual % Increase	2.72%	0.00%	0.00%			14.14%	0.93%

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		Baseline		Proposed Initiatives		Total Proposed	
	2006-07	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
011-10A-0953-07	FHM - BUREAU OF HEALTH - COMMUNITY SCHOOL GRANTS						
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	7,883,443	7,883,443	7,883,443	1,132,300	1,282,300	9,015,743	9,165,743
Program Total	7,883,443	7,883,443	7,883,443	1,132,300	1,282,300	9,015,743	9,165,743
Annual % Increase	2.72%	0.00%	0.00%			14.36%	1.66%
011-10A-0953-08	FHM - PUBLIC HEALTH INFRASTRUCTURE						
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	0	0	0	1,800,000	1,800,000	1,800,000	1,800,000
Program Total	0	0	0	1,800,000	1,800,000	1,800,000	1,800,000
Annual % Increase							0.00%
011-10A-0954-01	FHM - BFI - CENTRAL						
Pos. - Leg.	(1.000)	(1.000)	(1.000)	(0.000)	(0.000)	(1.000)	(1.000)
Pers. Serv.	44,416	51,051	54,052	0	0	51,051	54,052
All Other	4,450	1,480	1,480	6,246	6,366	7,726	7,846
Program Total	48,866	52,531	55,532	6,246	6,366	58,777	61,898
Annual % Increase	11.07%	7.50%	5.71%			20.28%	5.31%
011-10A-0955-01	FHM - BUREAU OF MEDICAL SERVICES						
Pos. - Leg.	(1.000)	(1.000)	(1.000)	(0.000)	(0.000)	(1.000)	(1.000)
Pers. Serv.	43,021	66,075	69,863	0	0	66,075	69,863
All Other	51,837	56,837	56,837	0	0	56,837	56,837
Program Total	94,858	122,912	126,700	0	0	122,912	126,700
Annual % Increase	-21.05%	29.57%	3.08%			29.57%	3.08%
011-10A-0956-01	FHM - FAMILY PLANNING						
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	410,062	410,062	410,062	58,900	58,900	468,962	468,962
Program Total	410,062	410,062	410,062	58,900	58,900	468,962	468,962
Annual % Increase	2.72%	0.00%	0.00%			14.36%	0.00%
011-10A-0957-01	FHM - SERVICE CENTER						
Pos. - Leg.	(10.000)	(10.000)	(10.000)	(0.000)	(0.000)	(10.000)	(10.000)
Pers. Serv.	634,384	630,394	645,126	0	0	630,394	645,126
All Other	46,235	46,235	46,235	0	0	46,235	46,235
Program Total	680,619	676,629	691,361	0	0	676,629	691,361
Annual % Increase	6.71%	-0.59%	2.18%			-0.59%	2.18%
011-10A-0958-01	FHM - DONATED DENTAL						
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	37,162	37,162	37,162	5,400	5,400	42,562	42,562
Program Total	37,162	37,162	37,162	5,400	5,400	42,562	42,562
Annual % Increase	2.71%	0.00%	0.00%			14.53%	0.00%
011-10A-0959-01	FHM - HEAD START						
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	1,383,960	1,383,960	1,383,960	198,500	198,500	1,582,460	1,582,460
Program Total	1,383,960	1,383,960	1,383,960	198,500	198,500	1,582,460	1,582,460
Annual % Increase	2.72%	0.00%	0.00%			14.34%	0.00%
011-10A-0960-01	FHM - MEDICAL CARE						
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	7,045,145	7,045,145	7,045,145	(269,437)	(171,351)	6,775,708	6,873,794
Program Total	7,045,145	7,045,145	7,045,145	(269,437)	(171,351)	6,775,708	6,873,794
Annual % Increase	1.16%	0.00%	0.00%			-3.82%	1.45%
011-10A-0961-01	FHM - PURCHASED SOCIAL SERVICES						
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	3,983,435	3,983,435	3,983,435	572,000	622,000	4,555,435	4,605,435
Program Total	3,983,435	3,983,435	3,983,435	572,000	622,000	4,555,435	4,605,435
Annual % Increase	2.72%	0.00%	0.00%			14.36%	1.10%
011-10A-0962-01	FHM - HUMAN LEUKOCYTE						
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	82,012	82,012	82,012	11,700	11,700	93,712	93,712
Program Total	82,012	82,012	82,012	11,700	11,700	93,712	93,712
Annual % Increase	2.71%	0.00%	0.00%			14.27%	0.00%

Fund for a Healthy Maine (FHM) Allocations
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		Baseline		Proposed Initiatives		Total Proposed	
	2006-07	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
011-10A-Z015-01 FHM - DRUGS FOR THE ELDERLY & DISABLED							
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	8,088,741	8,898,741	8,898,741	2,159,154	3,909,695	11,057,895	12,808,436
Program Total	8,088,741	8,898,741	8,898,741	2,159,154	3,909,695	11,057,895	12,808,436
Annual % Increase	-16.30%	10.01%	0.00%			36.71%	15.83%
011-10A-Z048-01 FHM - IMMUNIZATION							
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0
All Other	0	0	0	1,258,000	1,258,000	1,258,000	1,258,000
Program Total	0	0	0	1,258,000	1,258,000	1,258,000	1,258,000
Annual % Increase							0.00%
DEPARTMENT OF HEALTH AND HUMAN SERVICES (formerly DHS)							
Pos. - Leg.	**(16.000)**	**(16.000)**	**(16.000)**	**(0.000)**	**(0.000)**	**(16.000)**	**(16.000)**
Pers. Serv.	**990,932**	**1,029,884**	**1,060,637**	**0**	**0**	**1,029,884**	**1,060,637**
All Other	**41,245,237**	**41,957,267**	**41,957,267**	**9,678,863**	**11,877,610**	**51,636,130**	**53,834,877**
Dept. Total	**42,236,169**	**42,987,151**	**43,017,904**	**9,678,863**	**11,877,610**	**52,666,014**	**54,895,514**
Annual % Increase	**-2.13%**	**1.78%**	**0.07%**			**24.69%**	**4.23%**
JUDICIAL DEPARTMENT							
011-40A-0963-01 FHM - JUDICIAL DEPARTMENT							
Pos. - Leg.	(1.000)	(1.000)	(1.000)	(0.000)	(0.000)	(1.000)	(1.000)
Pers. Serv.	100,849	94,808	100,025	0	0	94,808	100,025
All Other	2,726	2,726	2,726	0	0	2,726	2,726
Program Total	103,575	97,534	102,751	0	0	97,534	102,751
Annual % Increase	5.42%	-5.83%	5.35%			-5.83%	5.35%
DEPARTMENT OF PUBLIC SAFETY							
011-16A-0964-01 FHM - FIRE MARSHAL							
Pos. - Leg.	(3.500)	(3.500)	(3.500)	(-0.500)	(-0.500)	(3.000)	(3.000)
Pers. Serv.	188,327	195,611	203,195	5,659	7,003	201,270	210,198
All Other	20,310	12,120	12,120	0	0	12,120	12,120
Program Total	208,637	207,731	215,315	5,659	7,003	213,390	222,318
Annual % Increase	6.16%	-0.43%	3.65%			2.28%	4.18%
GRAND TOTALS - ALL DEPARTMENTS							
Pos. - Leg.	**(21.500)**	**(21.500)**	**(21.500)**	**(1.000)**	**(1.000)**	**(22.500)**	**(22.500)**
Pos. - Other	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**
Pers. Serv.	**1,428,231**	**1,484,973**	**1,534,554**	**91,238**	**97,659**	**1,576,211**	**1,632,213**
All Other	**47,435,334**	**48,139,320**	**48,139,328**	**10,579,060**	**12,877,570**	**58,718,380**	**61,016,898**
Grand Total	**48,863,565**	**49,624,293**	**49,673,882**	**10,670,298**	**12,975,229**	**60,294,591**	**62,649,111**
Annual % Increase	**-1.77%**	**1.56%**	**0.10%**			**23.39%**	**3.91%**

FHM Budgeted Allocations and Uses History

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Smoking Cessation/ Prevention [1/]	$3,500,000	$12,526,011	$13,755,488	$15,571,085	$14,938,883	$15,305,670	$15,545,990	$15,791,699	$17,676,452	$17,935,684
Child Care and Development	$0	$11,714,999	$9,352,516	$7,290,437	$10,472,121	$10,809,181	$10,797,869	$11,120,956	$12,578,419	$12,702,079
Medicaid Initiatives	$0	$5,115,425	$5,503,666	$6,442,570	$6,777,827	$6,138,563	$6,028,661	$6,114,399	$6,957,397	$7,062,392
Prescription Drugs	$0	$10,000,000	$10,000,000	$10,000,000	$10,410,000	$10,000,000	$9,664,409	$8,088,741	$11,057,895	$12,808,436
Other Health Initiatives	$0	$1,431,408	$1,688,873	$1,893,294	$1,890,374	$1,891,303	$1,895,542	$1,914,348	$5,271,770	$5,273,264
Substance Abuse	$0	$5,800,000	$4,317,725	$5,647,037	$5,653,108	$5,660,016	$5,741,915	$5,760,815	$6,563,613	$6,668,572
Attorney General	$0	$299,989	$49,372	$52,100	$57,024	$58,281	$68,551	$72,607	$189,045	$198,684
Unallocated Fund-wide Deallocation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Allocations	$3,500,000	$46,887,832	$44,667,640	$46,896,523	$50,199,337	$49,863,014	$49,742,937	$48,863,565	$60,294,591	$62,649,111
Advance to Maine Rx Dedicated Fund	$0	$0	$1,700,000	($1,700,000)	$0	$0	$0	$0	$0	$0
Transfers to the General Fund	$0	$24,055,000	$10,000,000	$43,244,794	$6,736,628	$55,218	($1,895,717)	$2,571,648	$0	$0
Allocation to Healthy Maine Trust Fund [2/]	$0	$11,094,848	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Other Uses	$0	$35,149,848	$11,700,000	$41,544,794	$6,736,628	$55,218	($1,895,717)	$2,571,648	$0	$0
Totals Allocations and Other Uses [3/]	$3,500,000	$82,037,680	$56,367,640	$88,441,317	$56,935,965	$49,918,232	$47,847,220	$51,435,213	$60,294,591	$62,649,111

1/ 1999-00 includes $3.5 million transferred from the FHM to the Bureau of Health for tobacco prevention and control initiatives.
2/ The $11,094,848 allocated to the Healthy Maine Trust Fund in 2000-01 was subsequently repealed and $11,099,592 was transferred to the General Fund in PL 2001, c. 358, Sec. Q-8.
3/ Does not include the $25,540,000 allocated to Biennial Reserve in 2000-01 and then subsequently deallocated in 2001-02 in PL 2001, c. 358, Sec. Q-12.

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								Baseline		Proposed Initiatives		Total Proposed	
	2000-01 *	2001-02 *	2002-03 **	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
DEPARTMENT OF THE ATTORNEY GENERAL													
011-26A-0947-01 FHM - ATTORNEY GENERAL													
Pos. - Leg.	(1.000)	(1.000)	(1.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(1.500)	(1.500)	(1.500)	(1.500)
Pers. Serv.	39,989	49,372	52,000	53,778	55,223	62,382	66,054	74,037	78,459	85,579	90,656	159,616	169,115
All Other	260,000	0	100	3,246	3,058	6,169	6,553	6,699	6,707	22,730	22,862	29,429	29,569
Program Total	299,989	49,372	52,100	57,024	58,281	68,551	72,607	80,736	85,166	108,309	113,518	189,045	198,684
Annual % Increase		-83.54%	5.53%	9.45%	2.20%	17.62%	5.92%	38.53%	5.49%			121.97%	5.10%
DEPARTMENT OF THE ATTORNEY GENERAL													
Pos. - Leg.	**(1.000)**	**(1.000)**	**(1.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(1.500)**	**(1.500)**	**(1.500)**	**(1.500)**
Pers. Serv.	**39,989**	**49,372**	**52,000**	**53,778**	**55,223**	**62,382**	**66,054**	**74,037**	**78,459**	**85,579**	**90,656**	**159,616**	**169,115**
All Other	**260,000**	**0**	**100**	**3,246**	**3,058**	**6,169**	**6,553**	**6,699**	**6,707**	**22,730**	**22,862**	**29,429**	**29,569**
Dept. Total	**299,989**	**49,372**	**52,100**	**57,024**	**58,281**	**68,551**	**72,607**	**80,736**	**85,166**	**108,309**	**113,518**	**189,045**	**198,684**
Annual % Increase		**-83.54%**	**5.53%**	**9.45%**	**2.20%**	**17.62%**	**5.92%**	**11.20%**	**5.49%**			**160.37%**	**5.10%**
DEPARTMENT OF HEALTH AND HUMAN SERVICES (formerly BDS)													
011-14G-0948-01 FHM - SUBSTANCE ABUSE													
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	5,745,005	4,245,005	5,570,005	5,570,005	5,570,005	5,643,669	5,657,240	5,657,240	5,657,240	808,839	908,581	6,466,079	6,565,821
Program Total	5,745,005	4,245,005	5,570,005	5,570,005	5,570,005	5,643,669	5,657,240	5,657,240	5,657,240	808,839	908,581	6,466,079	6,565,821
Annual % Increase		-26.11%	31.21%	0.00%	0.00%	1.32%	0.24%	1.57%	0.00%			14.30%	1.54%
DEPARTMENT OF HEALTH AND HUMAN SERVICES (formerly BDS)													
Pos. - Leg.	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**
Pers. Serv.	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
All Other	**5,745,005**	**4,245,005**	**5,570,005**	**5,570,005**	**5,570,005**	**5,643,669**	**5,657,240**	**5,657,240**	**5,657,240**	**808,839**	**908,581**	**6,466,079**	**6,565,821**
Dept. Total	**5,745,005**	**4,245,005**	**5,570,005**	**5,570,005**	**5,570,005**	**5,643,669**	**5,657,240**	**5,657,240**	**5,657,240**	**808,839**	**908,581**	**6,466,079**	**6,565,821**
Annual % Increase		**-26.11%**	**31.21%**	**0.00%**	**0.00%**	**1.32%**	**0.24%**	**0.00%**	**0.00%**			**14.30%**	**1.54%**
DEPARTMENT OF EDUCATION													
011-05A-0949-01 FHM - SCHOOL NURSE CONSULTANT													
Pos. - Leg.	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(0.000)	(0.000)	(1.000)	(1.000)
Pers. Serv.	57,468	67,694	73,543	76,688	77,349	80,930	82,069	90,633	92,238	0	0	90,633	92,238
All Other	0	15,139	13,474	7,436	7,704	8,006	8,206	8,206	8,206	928	817	9,134	9,023
Program Total	57,468	82,833	87,017	84,124	85,053	88,936	90,275	98,839	100,444	928	817	99,767	101,261
Annual % Increase		44.14%	5.05%	-3.32%	1.10%	4.57%	1.51%	9.49%	1.62%			10.51%	1.50%
DEPARTMENT OF EDUCATION													
Pos. - Leg.	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(0.000)**	**(0.000)**	**(1.000)**	**(1.000)**
Pers. Serv.	**57,468**	**67,694**	**73,543**	**76,688**	**77,349**	**80,930**	**82,069**	**90,633**	**92,238**	**0**	**0**	**90,633**	**92,238**
All Other	**0**	**15,139**	**13,474**	**7,436**	**7,704**	**8,006**	**8,206**	**8,206**	**8,206**	**928**	**817**	**9,134**	**9,023**
Dept. Total	**57,468**	**82,833**	**87,017**	**84,124**	**85,053**	**88,936**	**90,275**	**98,839**	**100,444**	**928**	**817**	**99,767**	**101,261**
Annual % Increase		**44.14%**	**5.05%**	**-3.32%**	**1.10%**	**4.57%**	**1.51%**	**9.49%**	**1.62%**			**10.51%**	**1.50%**
FINANCE AUTHORITY OF MAINE													
011-05A-0950-02 FHM - HEALTH EDUCATION CENTERS													
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	100,000	100,000	100,000	100,000	100,000	101,602	103,235	103,235	103,235	14,000	14,000	117,235	117,235
Program Total	100,000	100,000	100,000	100,000	100,000	101,602	103,235	103,235	103,235	14,000	14,000	117,235	117,235
Annual % Increase		0.00%	0.00%	0.00%	0.00%	1.60%	1.61%	0.00%	0.00%			13.56%	0.00%

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								Baseline		Proposed Initiatives		Total Proposed	
	2000-01 *	2001-02 *	2002-03 **	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
011-05A-0951-02	FHM - DENTAL EDUCATION												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	60,000	120,840	183,882	240,000	240,000	241,601	243,235	243,235	243,235	34,500	34,500	277,735	277,735
Program Total	60,000	120,840	183,882	240,000	240,000	241,601	243,235	243,235	243,235	34,500	34,500	277,735	277,735
Annual % Increase		101.40%	52.17%	30.52%	0.00%	0.67%	0.68%	0.00%	0.00%			14.18%	0.00%
011-05A-0952-02	FHM - QUALITY CHILD CARE												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	145,356	145,356	145,356	145,356	145,356	146,958	148,592	148,592	148,592	19,200	19,200	167,792	167,792
Program Total	145,356	145,356	145,356	145,356	145,356	146,958	148,592	148,592	148,592	19,200	19,200	167,792	167,792
Annual % Increase		0.00%	0.00%	0.00%	0.00%	1.10%	1.11%	2.23%	0.00%			12.92%	0.00%
FINANCE AUTHORITY OF MAINE													
Pos. - Leg.	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**	**(0.000)**
Pers. Serv.	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
All Other	**305,356**	**366,196**	**429,238**	**485,356**	**485,356**	**490,161**	**495,062**	**495,062**	**495,062**	**67,700**	**67,700**	**562,762**	**562,762**
Dept. Total	**305,356**	**366,196**	**429,238**	**485,356**	**485,356**	**490,161**	**495,062**	**495,062**	**495,062**	**67,700**	**67,700**	**562,762**	**562,762**
Annual % Increase		**19.92%**	**17.22%**	**13.07%**	**0.00%**	**0.99%**	**1.00%**	**0.00%**	**0.00%**			**13.68%**	**0.00%**
DEPARTMENT OF HEALTH AND HUMAN SERVICES (formerly DHS)													
011-10A-0953-01	FHM - BUREAU OF HEALTH - ORAL HEALTH												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	530,000	950,000	950,000	950,000	950,000	948,155	973,897	973,897	973,897	139,900	139,900	1,113,797	1,113,797
Program Total	530,000	950,000	950,000	950,000	950,000	948,155	973,897	973,897	973,897	139,900	139,900	1,113,797	1,113,797
Annual % Increase		79.25%	0.00%	0.00%	0.00%	-0.19%	2.71%	0.00%	0.00%			14.36%	0.00%
011-10A-0953-02	FHM - BUREAU OF HEALTH - TOBACCO PREVENTION AND CONTROL												
Pos. - Leg.	(5.000)	(5.000)	(5.000)	(5.000)	(5.000)	(4.000)	(4.000)	(4.000)	(4.000)	(0.000)	(0.000)	(4.000)	(4.000)
Pers. Serv.	226,011	265,488	256,086	273,884	293,267	282,677	269,111	282,364	291,596	0	0	282,364	291,596
All Other	6,390,000	4,700,000	6,524,999	6,524,999	6,222,403	6,488,260	6,539,145	6,439,145	6,439,145	1,939,200	2,039,200	8,378,345	8,478,345
Program Total	6,616,011	4,965,488	6,781,085	6,798,883	6,515,670	6,770,937	6,808,256	6,721,509	6,730,741	1,939,200	2,039,200	8,660,709	8,769,941
Annual % Increase		-24.95%	36.56%	0.26%	-4.17%	3.92%	0.55%	-1.27%	0.14%			27.21%	1.26%
011-10A-0953-06	FHM - BUREAU OF HEALTH - HOME VISITS												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	3,465,000	3,300,000	3,300,000	4,300,000	4,600,000	4,591,060	4,715,713	4,715,713	4,715,713	667,000	717,000	5,382,713	5,432,713
Program Total	3,465,000	3,300,000	3,300,000	4,300,000	4,600,000	4,591,060	4,715,713	4,715,713	4,715,713	667,000	717,000	5,382,713	5,432,713
Annual % Increase		-4.76%	0.00%	30.30%	6.98%	-0.19%	2.72%	0.00%	0.00%			14.14%	0.93%
011-10A-0953-07	FHM - BUREAU OF HEALTH - COMMUNITY SCHOOL GRANTS												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	4,110,000	7,690,000	7,690,000	7,690,000	7,690,000	7,675,053	7,883,443	7,883,443	7,883,443	1,132,300	1,282,300	9,015,743	9,165,743
Program Total	4,110,000	7,690,000	7,690,000	7,690,000	7,690,000	7,675,053	7,883,443	7,883,443	7,883,443	1,132,300	1,282,300	9,015,743	9,165,743
Annual % Increase		87.10%	0.00%	0.00%	0.00%	-0.19%	2.72%	0.00%	0.00%			14.36%	1.66%
011-10A-0953-08	FHM - PUBLIC HEALTH INFRASTRUCTURE												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0	0	0	1,800,000	1,800,000	1,800,000	1,800,000
Program Total	0	0	0	0	0	0	0	0	0	1,800,000	1,800,000	1,800,000	1,800,000
Annual % Increase													0.00%

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								Baseline		Proposed Initiatives		Total Proposed	
	2000-01 *	2001-02 *	2002-03 **	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
011-10A-0954-01	FHM - BFI - CENTRAL												
Pos. - Leg.	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(0.000)	(0.000)	(1.000)	(1.000)
Pers. Serv.	29,587	29,587	32,130	34,762	37,286	42,528	44,416	51,051	54,052	0	0	51,051	54,052
All Other	0	0	1,094	902	941	1,467	4,450	1,480	1,480	6,246	6,366	7,726	7,846
Program Total	29,587	29,587	33,224	35,664	38,227	43,995	48,866	52,531	55,532	6,246	6,366	58,777	61,898
Annual % Increase		0.00%	12.29%	7.34%	7.19%	15.09%	11.07%	7.50%	5.71%			20.28%	5.31%
011-10A-0955-01	FHM - BUREAU OF MEDICAL SERVICES												
Pos. - Leg.	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(0.000)	(0.000)	(1.000)	(1.000)
Pers. Serv.	23,794	51,221	62,497	64,778	65,832	67,003	43,021	66,075	69,863	0	0	66,075	69,863
All Other	50,000	50,000	37,994	55,440	55,443	53,151	51,837	56,837	56,837	0	0	56,837	56,837
Program Total	73,794	101,221	100,491	120,218	121,275	120,154	94,858	122,912	126,700	0	0	122,912	126,700
Annual % Increase		37.17%	-0.72%	19.63%	0.88%	-0.92%	-21.05%	29.57%	3.08%			29.57%	3.08%
011-10A-0956-01	FHM - FAMILY PLANNING												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	400,000	400,000	400,000	400,000	400,000	399,223	410,062	410,062	410,062	58,900	58,900	468,962	468,962
Program Total	400,000	400,000	400,000	400,000	400,000	399,223	410,062	410,062	410,062	58,900	58,900	468,962	468,962
Annual % Increase		0.00%	0.00%	0.00%	0.00%	-0.19%	2.72%	0.00%	0.00%			14.36%	0.00%
011-10A-0957-01	FHM - SERVICE CENTER												
Pos. - Leg.	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(0.000)	(0.000)	(10.000)	(10.000)
Pers. Serv.	444,601	475,398	461,713	545,674	571,899	592,966	634,384	630,394	645,126	0	0	630,394	645,126
All Other	0	0	41,910	44,853	44,928	44,841	46,235	46,235	46,235	0	0	46,235	46,235
Program Total	444,601	475,398	503,623	590,527	616,827	637,807	680,619	676,629	691,361	0	0	676,629	691,361
Annual % Increase		6.93%	5.94%	17.26%	4.45%	3.40%	6.71%	-0.59%	2.18%			-0.59%	2.18%
011-10A-0958-01	FHM - DONATED DENTAL												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	33,940	35,200	36,250	36,250	36,250	36,180	37,162	37,162	37,162	5,400	5,400	42,562	42,562
Program Total	33,940	35,200	36,250	36,250	36,250	36,180	37,162	37,162	37,162	5,400	5,400	42,562	42,562
Annual % Increase		3.71%	2.98%	0.00%	0.00%	-0.19%	2.71%	0.00%	0.00%			14.53%	0.00%
011-10A-0959-01	FHM - HEAD START												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	1,950,000	1,350,000	1,350,000	1,350,000	1,350,000	1,347,376	1,383,960	1,383,960	1,383,960	198,500	198,500	1,582,460	1,582,460
Program Total	1,950,000	1,350,000	1,350,000	1,350,000	1,350,000	1,347,376	1,383,960	1,383,960	1,383,960	198,500	198,500	1,582,460	1,582,460
Annual % Increase		-30.77%	0.00%	0.00%	0.00%	-0.19%	2.72%	0.00%	0.00%			14.34%	0.00%
011-10A-0960-01	FHM - MEDICAL CARE												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	16,812,044	16,472,858	17,408,855	17,481,945	17,079,061	6,964,512	7,045,145	7,045,145	7,045,145	(269,437)	(171,351)	6,775,708	6,873,794
Program Total	16,812,044	16,472,858	17,408,855	17,481,945	17,079,061	6,964,512	7,045,145	7,045,145	7,045,145	(269,437)	(171,351)	6,775,708	6,873,794
Annual % Increase		-2.02%	5.68%	0.42%	-2.30%	-59.22%	1.16%	0.00%	0.00%			-3.82%	1.45%
011-10A-0961-01	FHM - PURCHASED SOCIAL SERVICES												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	5,559,074	3,885,689	1,785,689	3,885,689	3,885,689	3,878,137	3,983,435	3,983,435	3,983,435	572,000	622,000	4,555,435	4,605,435
Program Total	5,559,074	3,885,689	1,785,689	3,885,689	3,885,689	3,878,137	3,983,435	3,983,435	3,983,435	572,000	622,000	4,555,435	4,605,435
Annual % Increase		-30.10%	-54.04%	117.60%	0.00%	-0.19%	2.72%	0.00%	0.00%			14.36%	1.10%

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								Baseline		Proposed Initiatives		Total Proposed	
	2000-01 *	2001-02 *	2002-03 **	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
011-10A-0962-01	FHM - HUMAN LEUKOCYTE												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	250,000	0	136,145	80,000	80,000	79,845	82,012	82,012	82,012	11,700	11,700	93,712	93,712
Program Total	250,000	0	136,145	80,000	80,000	79,845	82,012	82,012	82,012	11,700	11,700	93,712	93,712
Annual % Increase		-100.00%	#DIV/0!	-41.24%	0.00%	-0.19%	2.71%	0.00%	0.00%			14.27%	0.00%
011-10A-Z015-01	FHM - DRUGS FOR THE ELDERLY & DISABLED												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	0	0	0	0	0	9,664,409	8,088,741	8,898,741	8,898,741	2,159,154	3,909,695	11,057,895	12,808,436
Program Total	0	0	0	0	0	9,664,409	8,088,741	8,898,741	8,898,741	2,159,154	3,909,695	11,057,895	12,808,436
Annual % Increase							-16.30%	10.01%	0.00%			36.71%	15.83%
011-10A-Z048-01	FHM - IMMUNIZATION												
Pos. - Leg.	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0	0	0	1,258,000	1,258,000	1,258,000	1,258,000
Program Total	0	0	0	0	0	0	0	0	0	1,258,000	1,258,000	1,258,000	1,258,000
Annual % Increase													0.00%
DEPARTMENT OF HEALTH AND HUMAN SERVICES (formerly DHS)													
Pos. - Leg.	**(17.000)**	**(17.000)**	**(17.000)**	**(17.000)**	**(17.000)**	**(16.000)**	**(16.000)**	**(16.000)**	**(16.000)**	**(0.000)**	**(0.000)**	**(16.000)**	**(16.000)**
Pers. Serv.	**723,993**	**821,694**	**812,426**	**919,098**	**968,284**	**985,174**	**990,932**	**1,029,884**	**1,060,637**	**0**	**0**	**1,029,884**	**1,060,637**
All Other	**39,550,058**	**38,833,747**	**39,662,936**	**42,800,078**	**42,394,715**	**42,171,669**	**41,245,237**	**41,957,267**	**41,957,267**	**9,678,863**	**11,877,610**	**51,636,130**	**53,834,877**
Dept. Total	**40,274,051**	**39,655,441**	**40,475,362**	**43,719,176**	**43,362,999**	**43,156,843**	**42,236,169**	**42,987,151**	**43,017,904**	**9,678,863**	**11,877,610**	**52,666,014**	**54,895,514**
Annual % Increase		**-1.54%**	**2.07%**	**8.01%**	**-0.81%**	**-0.48%**	**-2.13%**	**1.78%**	**0.07%**			**24.69%**	**4.23%**
JUDICIAL DEPARTMENT													
011-40A-0963-01	FHM - JUDICIAL DEPARTMENT												
Pos. - Leg.	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(0.000)	(0.000)	(1.000)	(1.000)
Pers. Serv.	54,995	70,220	76,232	80,553	87,410	95,586	100,849	94,808	100,025	0	0	94,808	100,025
All Other	0	2,500	800	2,550	2,601	2,660	2,726	2,726	2,726	0	0	2,726	2,726
Program Total	54,995	72,720	77,032	83,103	90,011	98,246	103,575	97,534	102,751	0	0	97,534	102,751
Annual % Increase		32.23%	5.93%	7.88%	8.31%	9.15%	5.42%	-5.83%	5.35%			-5.83%	5.35%
JUDICIAL DEPARTMENT													
Pos. - Leg.	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(1.000)**	**(0.000)**	**(0.000)**	**(1.000)**	**(1.000)**
Pers. Serv.	**54,995**	**70,220**	**76,232**	**80,553**	**87,410**	**95,586**	**100,849**	**94,808**	**100,025**	**0**	**0**	**94,808**	**100,025**
All Other	**0**	**2,500**	**800**	**2,550**	**2,601**	**2,660**	**2,726**	**2,726**	**2,726**	**0**	**0**	**2,726**	**2,726**
Dept. Total	**54,995**	**72,720**	**77,032**	**83,103**	**90,011**	**98,246**	**103,575**	**97,534**	**102,751**	**0**	**0**	**97,534**	**102,751**
Annual % Increase		**32.23%**	**5.93%**	**7.88%**	**8.31%**	**9.15%**	**5.42%**	**-5.83%**	**5.35%**			**-5.83%**	**5.35%**
DEPARTMENT OF PUBLIC SAFETY													
011-16A-0964-01	FHM - FIRE MARSHAL												
Pos. - Leg.	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(-0.500)	(-0.500)	(3.000)	(3.000)
Pers. Serv.	150,968	196,073	186,769	181,169	191,542	176,781	188,327	195,611	203,195	5,659	7,003	201,270	210,198
All Other	0	0	19,000	19,380	19,767	19,750	20,310	12,120	12,120	0	0	12,120	12,120
Program Total	150,968	196,073	205,769	200,549	211,309	196,531	208,637	207,731	215,315	5,659	7,003	213,390	222,318
Annual % Increase		29.88%	4.95%	-2.54%	5.37%	-6.99%	6.16%	-0.43%	3.65%			2.28%	4.18%

Fund for a Healthy Maine (FHM) Allocations
FY 2000-01 to FY 2008-09
With Governor's Proposed Budget Recommendations

								Baseline		Proposed Initiatives		Total Proposed	
	2000-01 *	2001-02 *	2002-03 **	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
DEPARTMENT OF PUBLIC SAFETY													
Pos. - Leg.	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(3.500)	(-0.500)	(-0.500)	(3.000)	(3.000)
Pers. Serv.	150,968	196,073	186,769	181,169	191,542	176,781	188,327	195,611	203,195	5,659	7,003	201,270	210,198
All Other	0	0	19,000	19,380	19,767	19,750	20,310	12,120	12,120	0	0	12,120	12,120
Dept. Total	150,968	196,073	205,769	200,549	211,309	196,531	208,637	207,731	215,315	5,659	7,003	213,390	222,318
Annual % Increase		29.88%	4.95%	-2.54%	5.37%	-6.99%	6.16%	-0.43%	3.65%			2.28%	4.18%
GRAND TOTALS - ALL DEPARTMENTS													
Pos. - Leg.	(23.500)	(23.500)	(23.500)	(22.500)	(22.500)	(21.500)	(21.500)	(21.500)	(21.500)	(1.000)	(1.000)	(22.500)	(22.500)
Pos. - Other	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Pers. Serv.	1,027,413	1,205,053	1,200,970	1,311,286	1,379,808	1,400,853	1,428,231	1,484,973	1,534,554	91,238	97,659	1,576,211	1,632,213
All Other	45,860,419	43,462,587	45,695,553	48,888,051	48,483,206	48,342,084	47,435,334	48,139,320	48,139,328	10,579,060	12,877,570	58,718,380	61,016,898
Grand Total	46,887,832	44,667,640	46,896,523	50,199,337	49,863,014	49,742,937	48,863,565	49,624,293	49,673,882	10,670,298	12,975,229	60,294,591	62,649,111
Annual % Increase		-4.74%	4.99%	7.04%	-0.67%	-0.24%	-1.77%	1.56%	0.10%			23.39%	3.91%

* For 2000-01 does not include the $25,540,000 allocated to Biennial Reserve in 2000-01 and then subsequently deallocated in 2001-02, and does not include $11,094,948 allocated to the Trust Fund for a Healthy Maine -- $11,099,592 was actually transferred to the Trust Fund. In that same fiscal year, the Trust Fund was repealed and the balance net of investment losses ($10,512,055) was transferred to the General Fund.

** History reflects changes to FHM program names made in PL 2001, c559, Part AA, that allowed for a better accounting of FHM funds.

DEPARTMENT OF HEALTH AND HUMAN SERVICES (FORMERLY DHS)

0953 FHM - Bureau of Health

Initiative:

BASELINE BUDGET

	2007-08	2008-09
Fund for a Healthy Maine	**$20,294,562**	**$20,303,794**

Justification:

Funding in this program is used to contract for several core areas which include: -Oral Health Services. Funding provided is often the only state funding available for dental clinics serving the underserved besides MaineCare reimbursement. These private, nonprofit, community-based clinic programs are largely dependent on revenue from patient fees, which are collected based on sliding fee scales that often do not cover the actual cost of providing care. There is occasional Federal reimbursement for dental student loan repayments for those dentists practicing in federally designated shortage areas and who serve primarily those patients with low incomes. -Smoking cessation and prevention. Funding is used to develop messages and materials to raise awareness about the availability and effectiveness of the Tobacco HelpLine and the dangers of tobacco; develop counter-marketing media messages to prevent youth from using tobacco; provide statewide toll-free telephone counseling for tobacco users through the Maine Tobacco HelpLine; provide outreach and support for pregnant women who smoke; manage the medication voucher program; and train health care providers and tobacco treatment specialists. Nicotine replacement therapy drugs are provided to eligible individuals who receiving counseling through the HelpLine. -The Home Visitation Program. Strengthens Maine families, ensures healthy children and nurtures healthy families by offering short and long term based support and assistance. Home visitation serves all Maine families using one of the three home visiting models: healthy Families, Parents as Teachers, or Parents Are Teachers, Too. -Community/School Grants and Statewide Coordination. Funding helps provide educational materials for distribution to schools, health care providers, and members of the public on quitting tobacco and discouraging initiation of tobacco use; create awareness that secondhand smoke is deadly; and assist population groups who are disproportionately affected by tobacco use. A portion of funds is dedicated to grants to nine school-based health centers.

Initiative:

Provides funding for the development of a public health infrastructure.

	2007-08	2008-09
Fund for a Healthy Maine	**$1,800,000**	**$1,800,000**

Justification:

Funding will be used to help develop a public health infrastructure for Maine, including the creation of public health regions and building a system of comprehensive community health coalitions.

Initiative:

Provides funding for the increased costs of the Tobacco Helpline and medication voucher program anticipated as a result of the increase in the cigarette tax.

	2007-08	2008-09
Fund for a Healthy Maine	**$1,000,000**	**$1,000,000**

Justification:

This initiative increases allocations to the Fund for a Healthy Maine - Tobacco Prevention, Control and Treatment account for the anticipated additional demands on the Tobacco Helpline and medication voucher programs expected to result from the increase in the tax on cigarettes and tobacco products.

CSI Counseling Services, Inc.
Providing Community Mental Health Services

February 28, 2007

Senators Rotundo and Brannigan and Representatives Fisher and Perry and members of the Appropriations and Health and Human Services Committees, I am Kathryn Vezina and I offer the following additional information in response to a request made at the time of my Testimony in Opposition to the Budget Cuts to Mental Health Services for Adults and Children.

Request: Please provide information on the per capita costs of complying with laws and regulations in mental health agencies, in Maine and other states

Response:

Per Capita Costs. I do not have access to the information (nor unfortunately the expertise) that would be necessary to provide per capita costs of complying with mental health laws and regulations in Maine or other states. While I am not a "finance person," I would expect that in order to determine costs of laws and regulations more specifically, it would be necessary to compare the amount of time (presuming that the time of doctors and clinical staff who provide services to clients) spent completing paperwork or other requirements that would not be done if it were not required by law or regulation as well as the costs of persons and processes needed to ensure that these requirements are being met (ie audit/compliance oversight work). These costs would vary depending on the cost of the clinical and administrative personnel involved and potentially the technology available (electronic health records might allow some easier data collection and monitoring, but costs of software adaptations would also likely vary significantly). With any new law, regulation, or contract requirement, there is also additional time, and potentially other resources, (translate money) associated with revising existing forms/processes/etc. to support and monitor compliance.

Costs of Specific Recently Added Administrative Requirements. Although I cannot provide any specific information on per capita costs, I have worked with clinical and finance staff in my agency, Counseling Services, Inc.(CSI), to try to provide some more specific information that might be helpful to the Committees in their deliberations. We provided cost information on a very limited selection of administrative requirements that have been added over the last 1-2 years in three areas of service: Services provide to children under Section 65M Home-based Family Services which was first implemented last July; Section 65 Child Assertive Community Treatment (ACT) Services, and some new administrative requirements added for clients in Section 17 Community Support Services.

265 North Street • P.O. Box 1010 • Saco, Maine 04072 • Tel: (207) 282-1500 • Fax: (207) 282-7509
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For each client receiving services reimbursed by Section 65M of the MaineCare Benefits Manual, the following administrative burdens are imposed: an Admission/Referral Form (routinely takes 30 minutes to complete), an Assessment/Authorization for Service Form (45 minutes), Treatment Authorization Form (45 minutes), and routine administrative support to ensure that forms are completed, submitted to the State/Beacon, returned, filed, and followed up if no response within prescribed timeframe, etc (30 minutes) for a total of 2.5 hours (cost in staff time approx $64.00 per client).

For each client receiving Child Assertive Community Treatment ACT Services under Section 65, a detailed Authorization Form must be completed which routinely takes about 1 hour at a cost of approximately $26.00/client. Counseling Services, Inc. serves approximately 120 clients annually, so this requirement costs approximately $3,100 per year.

For Adults receiving Intensive Community Integration (ICI) or Assertive Community Treatment (ACT) Services under Section 17, providers are contractually obligated to do service reviews which normally take 45 minutes (including both time talking with the external reviewer and time necessary to prepare and gather specific information needed for that interview). For all clients receiving services through Section 17 (which includes Community Integration (CI) Services as well as ICI and ACT), clinical staff must complete a Central Enrollment Form at time of admission and annually (approximately 15 minutes) and a form called Individual Support Plan/Resource Data Sheet (ISP/RDS) at time of admission and every 90 days (approximately 15 minutes). Annual cost of these requirements is approximately $48 per client per year for ICI/ACT clients and approximately $58 per client per year for CI clients. Counseling Services Inc. serves approximately 560 clients in the ICI and ACT levels of care annually at an annual cost for these three requirements alone is nearly $27,000. In addition, CSI serves approximately 820 clients annually at the CI level of care for an additional cost of over $47,000 for these regulatory requirements.

The costs of these individual administrative requirements are a small part of the administrative burdens of Mental Health laws and regulations in Maine, but are provided because they have all been added in the last 1-2 years and provide a relatively easily quantifiable example of the costs of regulation.

Summary of Regulatory Burdens in other New England States: At the time of my testimony, I agreed to look at the comparative regulatory processes in some other states and to provide my findings to the Committees. Although this information should not be viewed as an exhaustive or definitive review, I am happy to provide the information I have been able to gather online since the request was made last week.

New Hampshire

In New Hampshire, the licensing regulations for Mental Health and Substance Abuse services are quite extensive and are similar to Maine's, however licensing visits are routinely done every 5 years, whereas in Maine they are routinely completed every 2 years. New Hampshire contracts with 10 Community Mental Health Centers that each serve a different part of the state. It appears that the State funds these agencies primarily on a fee-for-service basis through these contracts. Eligibility for services is outlined in the same regulations that define Community Mental Health Program requirements generally. NH Administrative Rules He-M 400-426 (Mental Health); He-A 301-304 (Substance Abuse). It does not appear that New Hampshire has the overlapping layers of regulation (licensing/Medicaid/contract) that is in place in Maine.

Vermont

I was not able to locate mental health licensing regulations online, however substance abuse agency licensing regulations were available and were relatively simple and straightforward. http://healthvermont.gov/adap/treatment/sabuserules1.pdf. The Vermont Medicaid mental health regulations were also concise and not overly extensive.
The Vermont Division of Mental Health of DDMHS oversees the public mental health system and contracts with a network of 10 private nonprofit community agencies who can bill Medicaid for services and provide a statewide system of care. Agencies negotiate rates individually. It does not appear that Vermont has the detailed or overlapping layers of regulation (licensing/Medicaid/contract) that is in place in Maine

Connecticut

Connecticut licensing regs for Mental Health and Substance Abuse are separate, but overall more modest than Maine. CT Public Health Code19-A - 495-570 (mental health) & 19-A - 495-550 (substance abuse). I was unable to locate Connecticut Medicaid regulations online, however reimbursement for at least some mental health services are managed through the Connecticut Behavioral Health Partnership, and there are other regulations under the Department of Mental Health and Addiction Services General Assistance Behavioral Health Program Policies and Procedures. These reimbursement related regulations apparently provide reimbursement for specific Mental Health and Substance Abuse services. In general, it appears that these requirements would be met by compliance with licensing regulations. So again, it does not appear that Connecticut has the same level of overlapping layers of regulation (licensing/Medicaid/contract) that is in place in Maine.

Rhode Island

In Rhode Island, licensing regulations provide licenses for Behavioral Healthcare Organizations so licensing regulations for Mental Health, Substance Abuse, and residential services for mental health/substance abuse consumers are all combined. RI

Department of Mental Health, Retardation and Hospitals Behavioral Healthcare Rules, Regulations, and Standards §§1.0-44.0. These regulations are similar to Maine in detail and specificity. The Rhode Island Medicaid Manual contains additional requirements, but those are largely related to billing. RI Community Mental Health Medicaid Procedure Manual. Compliance with licensing regulations would largely meet the additional clinical requirements. These regulations clearly and regularly reference the licensing requirements as foundational. A contract with DHS is required for billing Medicaid, but the Rhode Island Medicaid Provider Manual contains sample contract which is one page and largely documents the provider's agreement to comply with Medicaid requirements. These regulations, while detailed, do not appear to have the multiple layers of different requirements as in Maine.

Massachusetts

Mental Health Licensing regulations look appropriate in terms of scope and extent and also include a separate regulation related to service planning applicable across all areas. 104 CMR 28.0-28.16. Mental Health licensing regulations also include residential services for Mental Health clients. Substance Abuse licensing regs are also reasonable and as expected. 105 CMR 162. In Massachusetts, Medicaid operates under managed care through several different managed care entities. Mental health related Medicaid regulations are not lengthy, but are extensive in some requirements. Mass Medicaid Regs Mental Health Center Manual. §429.401-441. Substance Abuse regulations are more modest and do not add significant new requirements. Mass Medicaid Regs Substance Abuse Treatment Manual. §418.401-411. With the operations of the managed care companies here, it is unclear to me as to how the administrative burdens compare to Maine's.

In the area of mental health, substance abuse, and related residential regulation, the New England states clearly structure and oversee these services differently. In some states, some aspects of the regulatory oversight are similarly over burdensome as is the case in Maine, but based on my review of regulatory materials available online, the other New England states do not appear to have extent of regulation present in the mental health system in Maine. I would be happy to supply copies of any regulations I have referenced in this document to any legislator who might be interested.

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HealthInfoNet

Overview Report
on
Business Plan and Operating Strategy

February 28, 2007

HealthInfoNet

Table of Contents

HealthInfoNet Executive Summary

- $2.6 million has been provided in funding to date from business, foundation, grants, government, insurers, and providers. (see page 4 for details)
- Maine Health Access Foundation (MeHAF) awarded a $1million challenge grant to HealthInfoNet that may be accessed when match funds are raised and the Phase III demonstration phase is operational.
- To meet the goal of a statewide HealthInfoNet system by 2010, the 24-month Phase III demonstration phase must begin in 2007.
- A Business Planning Work Group has been established to develop a business plan including a pro forma report and return on investment estimates. (Members of the group are identified on page 8)
- Phase III timeline is: 1) June – December 2007 final design of system and participant agreements are completed, 2) December 2007 – December 2008 demonstration goes live with providers and data sources, 3) demonstration phase continues and evaluation of impact is completed, and 4) June 1, 2009 HealthInfoNet system is deployed statewide.
- Costs for the HealthInfoNet Phase III demonstration phase (2007/2008) is estimated at $6 million.
- Grant funds, government support, and provider/insurer funding is being targeted as the primary sources of revenue for demonstration phase support. (See Attachment A)
- Revenue from direct services and subscriptions will provide a revenue stream in late 2008 and going forward. (See Attachment A)
- A preliminary plan for long-term sustainability through 2012 has being developed. (See Attachment A)
- A discounted (conservative) return on investment calls for a 29% impact on MaineCare over 6 years and a 26.7% impact statewide. (Attachments B and C.)
- The State of Maine has already established a statewide all payer claims database that will be important in measuring the impact of HealthInfoNet on health care service utilization and growth in cost during the Phase III demonstration phase and beyond.

I. Introduction

Health care leaders across Maine have joined together to support the building of a coordinated electronic information sharing system that holds great promise for improving patient safety and the quality of health care across the state. HealthInfoNet, the intensive effort underway to build such a system, will allow all Maine hospitals, physicians and other providers to quickly and efficiently share computerized patient specific clinical information. Not only will the system bring up-to-date clinical information to the site of care, it will build an interface with public health reporting needs and eventually allow Maine residents to electronically access their own medical records.

Patient authorization will govern the exchange of patient specific information. Consumer involvement has been a priority for HealthInfoNet since its inception. The HealthInfoNet Board of Directors includes consumer representation and the organization's bylaws stress the critical importance of rigorous confidentiality policies and procedures.

As more leaders across Maine understand the potential for improved care and cost savings, support for HealthInfoNet continues to grow. Maine's employer community, for example, is beginning to recognize HealthInfoNet's value and is joining the provider and payer communities in its support for the new network. Maine is at a critical point in the development of a statewide system. In order to meet its goal for the statewide system to be operational by 2010, HealthInfoNet must begin a 24-month Phase III (1st stage implementation) in 2007.

II. Background

a) Maine Electronic Clinical Information Sharing System

While more and more electronic medical records (EMRs) are being implemented in Maine and elsewhere, a great deal of information is still maintained in paper records that must be mailed, faxed or hand-delivered from one caregiver to another. Even providers and clinical sites that have office-based EMRs are often unable to share data and patient information due to incompatible software or technical limitations. Studies have shown that the current system is inefficient and can lead to unnecessary and duplicative tests. Medical errors can also occur when caregivers do not have access to complete and current information about their patients.

In June 2004, the concept of a statewide electronic clinical information-sharing system in Maine started to take shape. Today, Maine is positioned to join a group of leading states to build statewide health information exchanges which will become the foundation for a national health information exchange. A new independent non-profit organization, HealthInfoNet has been incorporated, governed by a highly experienced Board of Directors representing a broad range of stakeholders from across the state. HealthInfoNet has entered into final negotiations with its vendor of choice, 3M, to partner in the design and development of the technology infrastructure to support the electronic data

exchange, public health data reporting, quality/performance reporting, and personal health record access by consumers.

Private foundations, providers, payers, government agencies and business have contributed more than $2 million to drive this initiative. This financial support has enabled the HealthInfoNet Board of Directors to hire a highly regarded IT senior professional as the organization's first Executive Director. Maine's rapid progress has attracted national attention. In 2006, Maine was selected by the federal government to serve as one of nine states that will serve as "case studies" for other states as they develop their own statewide health information exchanges. In addition, Maine was chosen to take part in a major national process aimed at understanding and addressing the variation that now exists from state to state in terms of healthcare privacy and security statutes.

The State of Maine was an early proponent for the development of a statewide health information-sharing system. The State was one of three organizations that served both on a Steering Committee responsible for establishing the mission of the project and provided financial support for the initiative. To date, funding for HealthInfoNet has been provided by the stakeholder groups identified in the following table.

Summary of HealthInfoNet Funding To Date

Categories	2004	2005	2006	2007	Total
Business			$55,000		$55,000
Foundations	$40,000	$82,675	$1,238,405*		$1,361,080
Grants			$329,527		$329,527
Government (State and Federal)	$96,800	$93,581	$132,419	$250,000	$572,800
Providers			$245,000		$245,000
Payers			$50,000		$50,000
In-Kind	$52,361				$52,361
Total Funding	$189,161	$176,256	$2,050,351	$250,000	$2,665,768*

* MeHAF has awarded a $1million challenge grant to HealthInfoNet that may be accessed when match funds are raised and Phase III is operational.

Today, HealthInfoNet is approaching another critical point in its development. In order to meet its goal for the statewide system to be operational by 2010, HealthInfoNet must begin its 24 month Phase III (1st stage implementation) in 2007. HealthInfoNet has entered into final negotiations with its technology vendor/partner, 3M. Working with 3M, it has been estimated that Phase III will cost in excess of $6 million over the two year period. Now that a vendor of choice has been selected and the initial functions of HealthInfoNet have been decided upon, a business/operation strategy is being finalized. The products/functions, Phase III participants, and cost/revenue projections will all provide documentation for a final HealthInfoNet business plan.

HealthInfoNet's business plan will be based on the following principles that have been adopted by the HealthInfoNet Board of Directors:

1. **Products and services will be designed to achieve a set of important and meaningful goals:** 1) improve quality, 2) enhance patient safety, 3) achieve a higher degree of patient confidentiality and system security than exists today, 4) moderate the growth of healthcare costs by creating efficiencies in information exchange, 5) ensure simple. Convenient access to clinical data by caregivers, 6) provide consumers with convenient, affordable access to their own medical information, and 7) produce sufficient revenue to sustain operations and contribute to ongoing development and delivery of new products and services.

2. **Clear and concise results-based metrics will be established for each product and service so that progress toward these seven goals can be measured and success can be quantified.**

3. **HealthInfoNet's business and investment strategies will be developed and sustained to compliment and enhance the continuity of patient care across points of service in concert with investments in health information technology made by individual provider organizations.**

4. **HealthInfoNet will foster greater adoption of electronic clinical information sharing.**

5. **The development and introduction of HealthInfoNet's products and services will be deliberate and research-based.**

b) National Efforts

The value of healthcare information sharing has been recognized for some time, and various government agencies and private groups have been funding efforts to establish data sharing or "health information exchange" communities. In April 2004, those efforts were further bolstered by President Bush's directive for widespread adoption of interoperable electronic health records within 10 years. By Executive Order, he established the new Office of the National Coordinator of Health Information Technology ("ONC") in the U.S. Department of Health and Human Services. This office is designed to facilitate the development and adoption of a national health information network. It is envisioned that this will be accomplished through the linkage and interoperability between and among local and/or statewide health information exchanges across the nation.

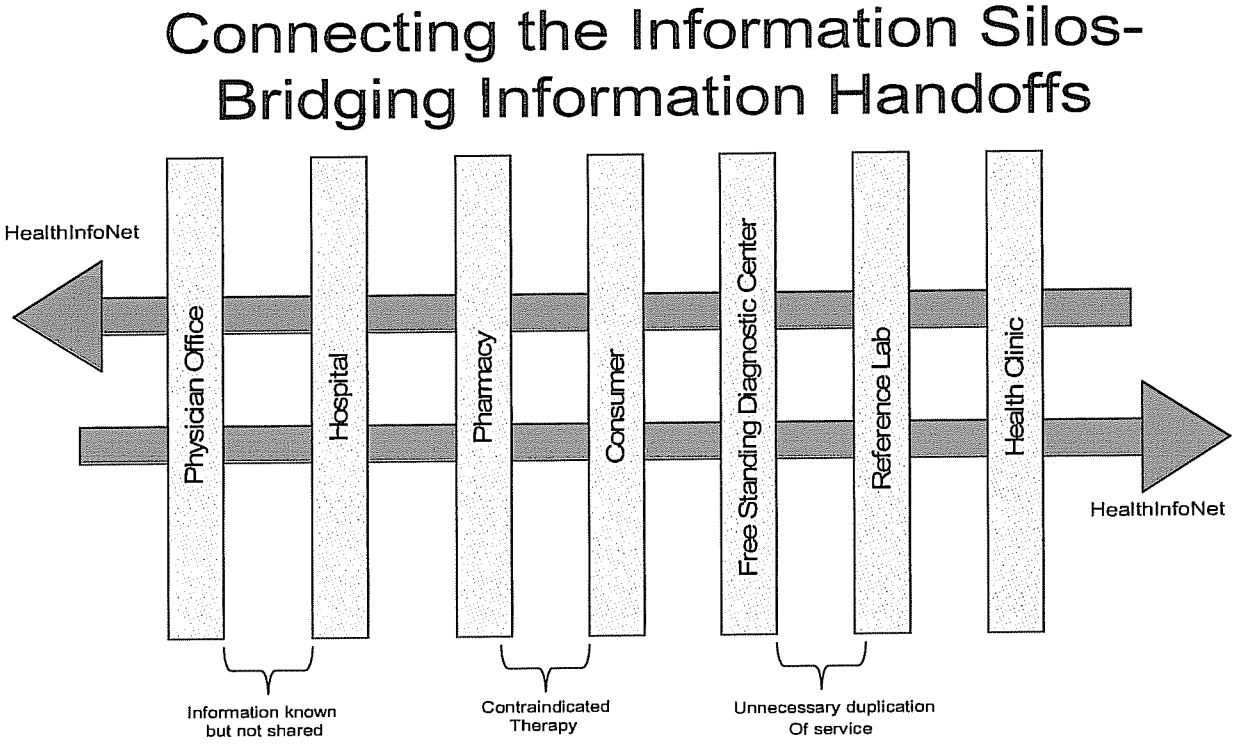
HealthInfoNet has worked closely with ONC and other federal agencies in the development of the Maine system. There has also been ongoing communication with other states including a New England consortium established to share experiences in the development of the statewide health data exchanges. Maine is recognized as one of the strongest initiatives in the country due to a well-established organizational effort with broad stakeholder support. As Maine

goes forward with its system, HealthInfoNet will work closely with the national effort to insure compatibility and compliance with all standards and guidelines for interoperability.

III. Business Strategy

HealthInfoNet's Position in the Maine Health Care Market

Maine will spend more than $8 billion dollars on health care this year. Research has validated that as much as 40% of health care work flow processes involve the management of patient information by providers. The annual rate of growth in healthcare spending is threatening the competitive position of Maine businesses and is reducing options to invest money in other worthy priorities across the State. There are no silver bullets or quick fixes that will cure the growth in health care spending in Maine. This is not a hospital problem or a physician problem or a pharmacy problem or a long term care problem. Rather, it is a systemic problem that is the result of many years of unaligned incentives between the various individuals and organizations that constitute the health care delivery community. The one common element that is shared across the health care delivery community is the individual patient seeking treatment. Yet, there is no shared information system in place today in the health care community that enables a comprehensive view of what is known about a patient across points of service. This is what HealthInfoNet is intended to address. The core focus of HealthInfoNet's business plan is to address the exchange of a comprehensive database of person-centric clinical information between the current unaligned segments of the health care delivery community.



Developing the HealthInfoNet Business Plan

The business plan for HealthInfoNet is a work in progress. The core services to be introduced during the first twenty-four months of the information exchange initiative (Phase III) have been defined and a pro forma has been developed for a five year period. HealthInfoNet began its business planning efforts in September, 2006 with the formation of a Business Planning Work Group that consists of the following HealthInfoNet Board members and external consultants:

Work Group Participants	Position & Organization
Arthur Blank	President, Mount Deseret Island Hospital
William Caron	President, MaineHealth
Daniel Coffey	Executive Vice President & CFO Eastern Maine Healthcare
David Howes	President & CEO Martin's Point
Richard Marston	Manager of HR, Fraser Paper
Karl Turner	Business Man
John Witherspoon	CEO, Finance Authority of Maine
Anthony Marple	Independent Consultant
Patrick Morin	Consultant, Baker, Newman and Noyes, LLC

An initial step in defining the foundation for a business plan was the development of the core principles by the Work Group which are presented on page 6 of this document.

Primary Customers for HealthInfoNet Products and Services

HealthInfoNet products and services will be defined to satisfy specific clinical and business needs of the following primary customer segments:

Customer Segment	Service Needs
Consumers	• Access to current, comprehensive summary of individual clinical history • Transport of clinical data between points of service • Validation of clinical data accuracy • Participation in consent and data access management oversight
Providers	• Access to current patient-specific clinical data generated outside of their organization or practice

	• Enhanced patient safety • Quality/Outcome Improvement • Workflow optimization • Cost reduction • Performance measurement
Payers	• Cost reduction • Enhanced patient safety • Quality/Outcome Improvement • Performance measurement
Employers	• Cost reduction • Enhanced safety for employees • Quality/Outcome Improvement • Performance measurement
Government	• Cost reduction • Performance measurement • Quality/Outcome Improvement • Policy Development • Work flow optimization

Initial Phase III Product Offerings

An initial portfolio of product and service offerings has been defined for development during the first twenty-four months of HealthInfoNet operation that is being called the Phase III demonstration period. Included among the products and services that will be delivered from the outset are the following:

HIN Product/Service	Product/Service Description
Person-Centric Clinical Summary	Comprehensive statewide summary of core clinical data including visits, labs, medications, diagnostic tests, allergies, and problem lists presented through a secure Internet portal for use by clinicians at the time of care.
Clinical Messaging	Convenient one stop service for delivering clinical results from multiple sources to an ordering physician
Maine CDC Surveillance Reporting	Automated collection and reporting of mandated test results to Maine CDC from laboratories and other provider sources statewide to support outbreak surveillance and population health management
Medication Reconciliation	Presentation of a comprehensive profile of a patient's current prescription medications at the time of contact with a hospital or physician practice. Medication reconciliation is now a required activity for all hospital inpatient

	admissions for those hospitals seeking to sustain accreditation under the Joint Commission on Accreditation of Healthcare Organizations (JCAHO))
e-Prescribing	Support access to products and services that encourage the adoption of electronic prescribing by a majority of providers across the State of Maine

Phase III Participants

Phase III calls for participation by up to four large IDNs (MaineHealth, Central Maine Healthcare, MaineGeneral and Eastern Maine Healthcare). It is expected that implementation will begin at one of these IDNs fairly early in the Phase III process, followed over time by the other three. Given the volume of admissions and outpatient encounters at these four systems, HealthInfoNet will achieve substantial statewide penetration in a comparatively short period of time as Phase III unfolds.

The Phase III plan also calls for participation by at least one community hospital that is unaffiliated with an IDN and uses a HIT (Health Information Technology) system that is different than nearby IDN's. At least three interfaces also will be built during Phase III with independent physician practices with different EMR systems now in place. Establishing interconnectivity with these diverse systems in rural and urban settings across Maine will demonstrate HealthInfoNet's capability and effectiveness.

Other important sources of clinical data are defined in the plan for Phase III including laboratory results from at least one of Maine's two in-state reference laboratories and medication prescription information from a national clearing house that is currently delivering person-specific prescription history data.

Phase III Time Line

1. **June – December 2007**
   - Project management to meet December 31, 2007 "go live" deadline
   - Final selection of provider sites and data sources
   - Development of agreements with provider sites and data sources
   - Configuration of hardware and software systems by technical vendor
   - Final design of systems to allow convenient system access by clinicians
   - Design of system for interface with public health reporting needs
   - Training for provider sites and data sources

2. **December 31, 2007 – December 31, 2008**
   - "Go live" date at an initial provider site(s)
   - Step by step expansion to additional provider sites and data sources
   - Over time, participation by:
   - Four large hospital-based IDNs (Integrated Delivery Networks), including their affiliated physician practices
   - One community hospital that is unaffiliated with a major IDN

- Physician practices that are unaffiliated with a major IDN
- At least one reference lab (data source)
- At least one pharmacy clearinghouse (retail or pharmacy benefit manager/data source)

3. **December 31, 2008 – June 30, 2008**
   - Continued operation of pilot phase
   - Evaluation designed to demonstrate effectiveness of system
   - Intensive planning for Phase IV (statewide Implementation)
   - June 1, 2009-December 31, 2010 (Phase IV).

Phase III Evaluation

During the last six months of the 24 month demonstration phase, an evaluation of impact will be conducted. Using the statewide claims database, utilization studies will be developed to measure changes and associated costs related to decreases in hospital admissions, lab tests, and medication orders. In addition, interviews will be conducted with provider users of the HealthInfoNet system to identify new efficiencies including the availability of more complete information in a more timely manner.

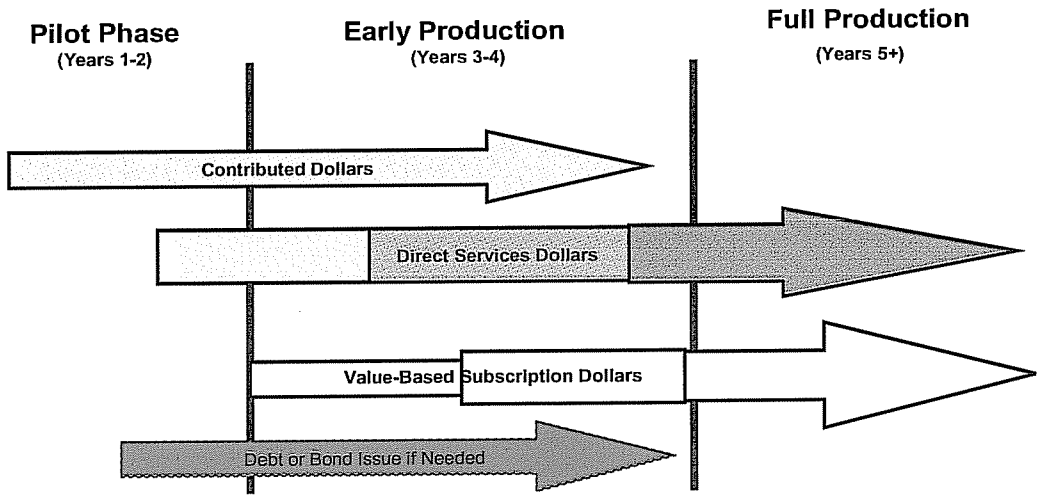
The evaluation results will assist the HealthInfoNet staff and vendor to modify as needed the system deliverables and to establish measures of value. The measures of value will be used to develop a marketing approach to other provider sites and to establish a pricing schedule based on the value of the product.

Preliminary Phase III Pro Forma

A preliminary business pro forma has been developed by the HealthInfoNet Business Planning Work Group. This pro forma is presented at the end of this document as **Attachment A**. The pro forma assumes the delivery of the products and services outlined above for Phase III and looks at projected revenue and expenses for these initial products and services over a six year time frame.

The business pro forma assumes that a significant percentage of revenue secured during the first two years (Phase III) will come from grants and contributed funds. Over the six year life of the pro forma, revenues from direct services and subscriptions increase. It is also anticipated that debt financing will be needed at the end of the Phase III demonstration period to support investment in the capital assets that will be required to sustain a statewide infrastructure. The following diagram depicts the expected sources and timing of revenues now defined for the HealthInfoNet project.

Sources of Funding By Project Year



HealthInfoNet Products and Services Beyond Phase III

Planning for expanding the initial portfolio of products and services beyond those now defined for the Phase III demonstration initiative is under way. While the finalization of projected expenses and revenues for these additional products and services is still being developed, it is anticipated that these new additions to the portfolio will introduce significant contributions to the mid to long term sustainability of HealthInfoNet. Items included in this expanded portfolio include the following:

Future HIN Product/Service	Product/Service Description
Quality and Performance Reporting	Reporting to individual providers, provider organizations, payers and employers on clinical care delivery performance compared against community defined quality standards. This service may be developed in conjunction with reporting already being generated from the statewide all payer claims database now being managed by the Maine Health Data Organization (MHDO) and the Maine Health Information Center (MHIC)
Statewide Standardized Disease Registry	A statewide database defined to collect and manage standardized clinical data sets associated with delivering care to specific populations of patients

	organized around selected diagnoses and chronic conditions. This statewide registry will support quality comparison and quality improvement initiatives.
Population Reporting	De-identified cumulative reporting on population health status to support public health policy development
EHR-L Utility	Statewide electronic health record utility designed to provide a low cost, technically simple solution for individual providers and provider organizations to begin to use a simplified electronic health record that supports e-prescribing, electronic delivery of test results, secure messaging, a standardized tool for entering data in to the statewide disease registry and pay for performance reporting.

Return on Investment Projection

An independent analysis of the potential for a statewide health information exchange in Maine to reduce the growth in the annual cost of health care was performed by Baker, Newman, Noyes, LLC in 2005. That study identified the potential for an annual reduction of $40-$50 million dollars directly associated with reducing duplication of services, reductions in adverse medical outcomes and a reduced incidence of inpatient admission. This analysis assumed a mature health information exchange and a large percentage of providers in Maine being connected with electronic medical record solutions.

A subsequent independent analysis based on national studies that have evaluated the impact of introducing electronic ordering and medical record system on medication utilization and diagnostic test utilization also confirmed a statewide annual cost reduction opportunity of between $45 and $55 million dollars. These studies were used by HealthInfoNet to define annual statewide target values for cost growth reduction within specific categories of health care delivery. These annual target statewide cost reduction percentages for Maine were defined as follows:

- Prescription Medication Volume - 4%
- Diagnostic Testing Volume - 3%
- Adverse Ambulatory Drug Events Resulting in Admission - 4%

As with the Baker, Newman, Noyes analysis, these target values assumed a level of investment in electronic medical information systems across all provider segments that will not be realized in Maine for five to ten years at the current rate of investment.

Although the estimates in the initial analysis were defendable and based on national studies, it was determined that a more conservative projection for annual cost impact by selected categories of health care utilization was needed for the proposed Maine system to establish a solid and plausible assessment of the return on investment for Phase III products & services over the first years of the HealthInfoNet initiative. This more conservative estimate also recognized the relatively low level of investment in electronic health information systems across Maine's provider communities. A summary of this conservative/discounted opportunity analysis is included with this report as **Attachment B.** The discounted annual cost savings presented in this analysis never exceed a 1% reduction in annual cost in any category over a six year time frame.

Two return on investment schedules have been developed to reflect the projected value of HealthInfoNet Phase III products and services to: 1) MaineCare and 2) the entire State. These schedules are presented with this report as **Attachment C** and **Attachment D**. Based on a six year time frame, the following is a summary of the return on investment results for MaineCare and the State.

Investment Measure	Impact on MaineCare	Impact Statewide
Break Even	Year 5	Year 5
Net Present Value	$3,057,179	$1,294,847
Internal Rate of Return	26.64%	7.89%
Annual Return on Investment	29%	26.7%

Report Attachments

Attachment A- Preliminary Phase III Products & Services Pro Forma

Attachment B- Discounted Annual Cost Reduction Projection

Attachment C- MaineCare Return on Investment Phase III Schedule

Attachment D- Statewide Return on Investment Phase III Schedule

Attachment A

HealthInfoNet Six Year Business Pro Forma
Preliminary Forecast

	Phase III Demonstration		Statewide Production System			
	2007	2008	2009	2010	2011	2012
Revenues						
Grant & Contribution Revenues	$ 5,170,000	$ 1,170,000	$ 250,000	$ 250,000	$ -	$ -
Revenue from Direct Services & Product Subscriptions	$ -	$ 1,832,206	$ 3,060,129	$ 3,336,700	$ 4,843,312	$ 4,887,813
Total Revenue	***$ 5,170,000***	***$ 3,002,206***	***$ 3,310,129***	***$ 3,586,700***	***$ 4,843,312***	***$ 4,887,813***
Expenses						
Third Party Technology Vendor Expenses	$ 3,968,021	$ 991,807	$ 6,253,061	$ 1,496,281	$ 1,496,281	$ 1,496,281
HealthInfoNet Operating Expenses	$ 1,090,777	$ 968,371	$ 922,871	$ 1,044,115	$ 1,072,796	$ 1,104,980
Total Expenses	***$ 5,058,798***	***$ 1,960,178***	***$ 7,175,932***	***$ 2,540,396***	***$ 2,569,077***	***$ 2,601,261***
Financing						
Loan at 5%,4years		$ 4,500,000				
Debt service on loan			$ (1,269,053)	$ (1,269,053)	$ (1,269,053)	$ (1,269,053)
Net Revenue Less Expense	***$ 111,202***	***$ 5,542,028***	***$ (5,134,856)***	***$ (222,749)***	***$ 1,005,181***	***$ 1,017,499***
Cash Balance	***$ 111,202***	***$ 5,653,230***	***$ 518,374***	***$ 295,624***	***$ 1,300,806***	***$ 2,318,304***

Attachment B

HealthInfoNet Return On Investment Analysis

Discounted Annual Cost Reduction Projection

	Projected Total Expense for Maine 2007	Annual Target Cost Growth Reduction Value	Target Value As Percent of Total Expense Projected 2007	Annual Cost Reduction Modification Schedule					
				Demonstration Phase		Production Phase			
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Prescription Medication	$ 1,073,360,349	42,934,414	4%	$ 429,344	$ 1,288,032	$ 2,146,721	$ 4,293,441	$ 8,586,883	$ 10,733,603
Ambulatory Lab Tests	$ 134,513,022	4,035,391	3%	$ 40,354	$ 121,062	$ 201,770	$ 403,539	$ 807,078	$ 1,008,848
Ambulatory Diagnostic Tests	$ 264,642,379	7,939,271	3%	$ 79,393	$ 238,178	$ 396,964	$ 793,927	$ 1,587,854	$ 1,984,818
Ambulatory ADE Avoidance	$ 27,700,000	$ 1,108,000	4%	$ 11,080	$ 33,240	$ 55,400	$ 110,800	$ 221,600	$ 277,000
Total	**$ 1,500,215,750**	**$ 56,017,076**		**$ 560,171**	**$ 1,680,512**	**$ 2,800,854**	**$ 5,601,708**	**$ 11,203,415**	**$ 14,004,269**
MaineCare Prescription & ADE 32%				$ 140,936	$ 422,807	$ 704,679	$ 1,409,357	$ 2,818,714	$ 3,523,393
MaineCare Lab & Diagnostics 20%				$ 23,949	$ 71,848	$ 119,747	$ 239,493	$ 478,986	$ 598,733
Annual Total				**$ 164,885**	**$ 494,655**	**$ 824,425**	**$ 1,648,850**	**$ 3,297,701**	**$ 4,122,126**

Annual Cost Reduction Modification Schedule As Percent of Total Projected 2007 Expense					
Demonstration Phase		Production Phase			
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
0.04%	0.12%	0.20%	0.40%	0.80%	1.00%
0.03%	0.09%	0.15%	0.30%	0.60%	0.75%
0.03%	0.09%	0.15%	0.30%	0.60%	0.75%
0.04%	0.12%	0.20%	0.40%	0.80%	1.00%

Prescription Medication
Ambulatory Lab Tests
Ambulatory Diagnostic Tests
Ambulatory ADE Avoidance

Assumptions and Points of Analysis

1. Annual Cost Reduction Modification calculated based on following Annual Impact Percentages on Target Value:
   - Year 1- 1%
   - Year 2- 3%
   - Year 3- 5%
   - Year 4- 10%
   - Year 5- 20%
   - Year 6- 25%
2. The actual percentage of Annual Objectives to total Projected Expense is overstated in Years 2-6 as no calculation for annual increase in utilization or cost is accounted for-- Uses 2007 Projections Throughout
   In fact, the annual increase in utilization in 2005 for commercially insured lives was as follows:
   - Prescription Medications 12.1%
   - Lab Tests 13.2%
   - Diagnostic Tests 3.8%
3. Likewise, the annual increase in payment per member per month for 2005 as compared to 2004 for the commercially insured was as follows:
   - Prescription Medications 18.4%
   - Lab Tests 19.3%
   - Diagnostic Tests 15.1%
4. There is every reason to expect that these rates of increase in utilization and payment will continue in to 2007 and beyond unless a project like HealthInfoNet can be brought on line.
5. Assuming continued annual increases in utilization and cost, payers will recognize a positive return on their annual projected Value-Based Subscription fees as early as year 3
6. Even with the very conservative assumptions used in this analysis, payers could expect as much as a 3 times return on their annual Value-Based Subscription fees by year 5.