DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES
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2007 APR 6 AM 8:49

MEMORANDUM

DATE: April 6, 2007

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

FROM: Rebecca M. Wyke, Commissioner
Department of Administrative and Financial Services

SUBJECT: Changes to LD 499, the 2008-2009 Biennial Budget Bill

#2

Enclosed are additional changes which are recommended for inclusion in LD 499, the 2008-2009 Biennial Budget bill.

If you have any questions or need additional information, please do not hesitate to contact me or the Bureau of the Budget.

Enclosure

cc: Legislative Leadership
Grant Pennoyer

Please Amend LD 499 with the following language changes:

April 4, 2007

Please DELETE Part C in LD 499 and the revisions included in the change package dated March 19, 2007 and REPLACE as follows:

Part C

Sec. C-1. 20-A MRSA §253, sub-§8 is enacted to read:

8. Statewide support for efficiencies. The commissioner may expend and disburse funds for the statewide support of operational efficiencies for school administrative units.

Sec. C-2. 20-A MRSA §15671, sub-§7, ¶ B, sub-¶ (3) is amended to read:

(3) For fiscal year 2007-08, the target is ~~54.44%~~ 53.51%.

Sec. C-3. 20-A MRSA §15689, sub-§1, ¶ B, sub-¶ (3) is amended to read:

(3) For fiscal year 2007-08, ~~95%~~ 84%; and

Sec. C-4. 20-A MRSA §15689-A, sub-§13 is enacted to read:

13. Jobs for Maine's Graduates. The commissioner may expend and disburse funds for the Jobs for Maine's Graduates in accordance with the provisions of chapter 226.

Sec. C-5. 20-A MRSA §15689-A, sub-§14 is enacted to read:

14. Maine School of Science and Mathematics. The commissioner may expend and disburse funds for the Maine School of Science and Mathematics in accordance with the provisions of chapter 312.

Sec. C-6. 20-A MRSA §15689-A, sub-§15 is enacted to read:

15. Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf. The commissioner may expend and disburse funds for the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf in accordance with provisions of chapter 304.

Sec. C-7. 20-A MRSA §15689-D is amended to read:

§15689-D. Governor's recommendation for funding levels

The Department of Administrative and Financial Services, Bureau of the Budget shall annually certify to the Legislature the funding levels that the Governor recommends under sections 15683, 15683-A, 15689 and 15689-A. The Governor's recommendations must be transmitted to the Legislature within the time schedules set forth in Title 5, section 1666. The commissioner may adjust, consistent with the Governor's recommendation for funding levels, per-pupil amounts not related to staffing pursuant to section 15680 and targeted funds pursuant to section 15681.

Sec. C-8. Mill expectation. The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2007-08 is 7.44.

Sec. C-9. Limitation of increases. Notwithstanding any other provision of law, for fiscal year 2007-08 a school administrative unit may not receive more than 15% increase in general purpose aid for local school from 2006-07 to 2007-08 including transition adjustments and excluding any decline in total debt service allocation. For fiscal year 2007-08, the maximum state and local spending target pursuant to section 15671-A shall exclude the amount resulting from the 15% limitation of increases for those school administrative units affected by this limitation.

Sec. C-10. Total cost of funding public education from kindergarten to grade 12. The total cost of funding public education from kindergarten to grade 12 for fiscal year 2007-08 is as follows:

	2007-08 TOTAL
Total Operating Allocation	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 without transition percentage	$1,351,740,918
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 with 95% transition percentage	$1,284,153,872
Transition adjustments pursuant to the Maine Revised Statutes, Title 20-A, section 15686	$3,264,728

Total other subsidizable costs pursuant to the Maine Revised Statutes, Title 20-A, section 15681-A	$377,071,968

Total Operating Allocation

Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 with 95% transition percentage plus transition adjustment pursuant to Title 20-A, section 15686 and total other subsidizable costs pursuant to Title 20-A, section 15681-A	$1,664,490,568

Total Debt Service Allocation

Total debt service allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683-A	$90,484,971

Total Adjustments and Miscellaneous Costs

Total adjustments and miscellaneous costs pursuant to the Maine Revised Statutes, Title 20-A, sections 15689 and 15689-A	$72,648,239

Total Cost of Funding Public Education from Kindergarten to Grade 12

Total cost of funding public education from kindergarten to grade 12 for fiscal year 2006-07 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-B	$1,827,623,778

Sec. C-11. Local and state contributions to total cost of funding public education from kindergarten to grade 12. The local contribution and the state contribution appropriation provided for general purpose aid for local schools for the fiscal year beginning July 1, 2007 and ending June 30, 2008 is calculated as follows:

	2007-08 LOCAL	2007-08 STATE
Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12.		

Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683.	$846,003,440	$981,620,338

Limitation of increases to the State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12.

Limitation of increases to the state contributions to the total cost of funding public education from kindergarten to grade 12.		-$3,661,953

Adjusted Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12.

Adjusted Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683.		$977,958,385

Sec. C-12. Limit of State's obligation. If the State's continued obligation for any individual component contained in section 10 and section 11 of this Part exceeds the level of funding provided for that component, any unexpended balances occurring in other programs may be applied to avoid proration of payments for any individual component. Any unexpended balances from section 10 and 11 of this Part may not lapse but must be carried forward for the same purpose.

Sec. C-13. Authorization of payments. Sections 1 through 11 of this Part may not be construed to require the State to provide payments that exceed the appropriation of funds for general purpose aid for local schools for the fiscal year beginning July 1, 2007 and ending June 30, 2008.

Please AMEND Part D, section D-7 as follows:

CURRENT

Sec. D-7. 20-A, MRSA, §15689, sub-section 1-A, as enacted by PL 2005, Chapter 519, Pt. AAAA, section 14 is amended to read:

1-A. Adjustments to state contributions to member municipalities in certain school districts. Beginning in fiscal year 2007-08, the minimum state allocation provisions of subsection 1 are applicable for each case when one or more member municipalities, but not all the district's member municipalities, have a local contribution that is below the mill rate expectation established pursuant to section 15671-A <u>and a member municipality's local contribution pursuant to Title 20-A, section 15688 is 5% greater than that municipality's local share would have been under its existing local cost-sharing formula</u>. For each school district eligible under this subsection, the minimum state allocation provisions of subsection 1 are applicable for each member municipality that has a local contribution that is below the mill rate expectation established pursuant to section 15671-A, except that the transition percentages in section 15689, subsection 1, paragraph B must be multiplied by the percentage of calendar year resident pupils in the member municipality.

REVISED

Sec. D-7. 20-A, MRSA, §15689, sub-section 1-A, as enacted by PL 2005, Chapter 519, Pt. AAAA, section 14 is amended to read:

1-A. Adjustments to state contributions to member municipalities in certain school districts. Beginning in fiscal year 2007-08, the minimum state allocation provisions of subsection 1 are applicable for each case when one or more member municipalities, but not all the district's member municipalities, have a local contribution that is below the mill rate expectation established pursuant to section 15671-A <u>and a member municipality's local contribution pursuant to Title 20-A, section 15688 is 5% greater than that municipality's local share would have been under its existing local cost-sharing formula</u>. For each school district eligible under this subsection, the minimum state allocation provisions of subsection 1 are applicable for each member municipality that has a local contribution that is below the mill rate expectation established pursuant to section 15671-A, except that the transition percentages in section 15689, subsection 1, paragraph B must be <u>applied and the results must be</u> multiplied by the percentage of calendar year resident pupils in the member municipality. <u>A school administrative district or community school district that meets the eligibility criteria in this subsection must have its local contribution adjusted as follows.</u>

<u>A. The municipality's local contribution as determined pursuant to Title 20-A, section 15688 must be reduced by an amount equal to the municipality's minimum special education allocation as determined in this subsection.</u>

Revises the language for Part BBB presented in the change package on March 19, 2007.

PART BBB

Sec. BBB -1. Drugs for Maine's Elderly account; lapsed balances. Notwithstanding any other provision of law, ~~$4,300,000~~ to $10,000,000 of the unencumbered balance in fiscal year 2006-07 in the Drugs for Maine's Elderly General Fund account in the Department of Health and Human Services lapses to the General Fund in fiscal year 2006-07.

Please ADD the following new Part DDD to LD 499 as follows:

Part DDD

Sec. DDD-1. Transfer of funds; Office of Securities. Notwithstanding any other provisions of law the State Controller shall transfer $1,000,000 by June 30, 2007 from the Office of Securities Other Special Revenue Funds account in the Department of Professional and Financial Regulation to the unappropriated surplus of the General Fund.

Please ADD the following new Part EEE to LD 499 as follows:

Part EEE

Sec. EEE -1. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer $9,500,000 from the Profit and Loss account of the General Fund to the unappropriated surplus of the General Fund no later than June 30, 2007. The amount to be transferred represents funds that have accrued from the collection of accounts receivable that were fully reserved in the Medical Care – Payments to Providers General Fund account in the Department of Health and Human Services and to recognize the availability of a balance that may be used as a current year resource.

Sec. EEE -2. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer $9,500,000 from the unappropriated surplus of the General Fund to Medical Care – Payments to Providers General Fund account in the Department of Health and Human Services no later than June 30, 2007. This amount must be allotted by financial order upon the recommendation of the State Budget Officer and approved by the Governor.

Sec. EEE -3. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Medical Care – Payments to Providers 0147

Initiative: Notwithstanding any other provision of law, reduces funding which must be transferred to the unappropriated surplus of the General Fund.

GENERAL FUND	2006-07
All Other	($9,500,000)
GENERAL FUND TOTAL	($9,500,000)

Please ADD the following new Part FFF to LD 499 as follows:

Sec. FFF-1. Transfer from Other Special Revenue Funds to unappropriated surplus of the General Fund. Notwithstanding any other provision of law, the State Controller shall transfer $14,000,000 in fiscal year 2007-08 from Other Special Revenue Funds to the unappropriated surplus of the General Fund no later than June 30, 2008. On July 1, 2008, the State Controller shall transfer $14,000,000 from the General Fund unappropriated surplus along with interest to Other Special Revenue Funds as repayment. This transfer is considered an inter-fund advance to be repaid with interest compounded annually at the earnings rate within the Treasurer of State's cash pool on the date of the advance.

Please ADD the following new Part GGG to LD 499 as follows:

Part GGG

Sec. GGG-1. 22 MRSA §3173-C, sub-§2, as amended by PL 2003, c. 20, Pt. K, §6 is further amended to read:

2. Prescription drug services. Except as provided in subsections 3 and 4, a payment of ~~$2.50~~ <u>$3.00</u> for each drug is to be collected from the MaineCare member for each drug prescription that is an approved MaineCare service. Copayments must be capped at ~~$25~~ <u>$30</u> per month per member. If a member is prescribed a drug in a quantity specifically intended by the provider or pharmacist, for the recipient's health and welfare, to last less than one month, only one payment for that drug for that month is required.

Please ADD the following new Part HHH to LD 499 as follows:

Part HHH

Sec. HHH-1. Department of Administrative and Financial Services; lease-purchase authorization. Pursuant to the Maine Revised Statutes, Title 5, section 1587, the Department of Administrative and Financial Services, Office of Information Technology may enter into financing arrangements on or after January 1, 2008 for the acquisition of hardware, software and systems to support the development of new applications and for the enhancement and modification of current application systems. The financial agreements may not exceed 5 years in duration and $9,100,000 in principal costs. The interest rate may not exceed 7% and interest costs may not exceed $1,900,000.

The Department of Administrative and Financial Services, Office of Information Technology may enter into financing arrangements on or after January 1, 2009 for the acquisition of hardware, software and systems to support the development of new applications and for the enhancement and modification of current application systems. The financial agreements may not exceed 5 years in duration and $8,300,000 in principal costs. The interest rate may not exceed 7% and interest costs may not exceed $1,800,000.

Payment for debt service costs shall be made from the available appropriation and allocation in the program accounts of the affected departments to the Office of Information Technology.

Please ADD the following new Part III to LD 499 as follows:

Part III

Sec. III-1. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer $2,229,354 by June 30, 2007 from the Accident, Sickness & Health Insurance Internal Service Fund in the Department of Administrative & Financial Services to the unappropriated surplus of the General Fund.

Please ADD the following new Part JJJ to LD 499 as follows:

Sec. JJJ-1. 22 MRSA §14, sub-§2-A, as amended by PL 2003, c. 20, Pt. K, §2, is further amended to read:

2-A. Assignment of rights of recovery. The receipt of benefits under the MaineCare program constitutes an assignment by the recipient or any legally liable relative to the department of the right to recover from 3rd parties for the medical cost of injury, disease, disability or similar occurrence for which the recipient receives medical benefits. The department's assigned right to recover is limited to the amount of medical benefits received by the recipient and does not operate as a waiver by the recipient of any other right of recovery against a 3rd party that a recipient may have.

The recipient is also deemed to have appointed the commissioner as the recipient's attorney in fact to perform the specific act of submitting claims ~~to insurance carriers or endorsing over to the department any and all drafts, checks, money orders or any other negotiable instruments connected with the payment of 3rd-party medical claims.~~, making inquiry, requesting information, verifying other previous, current or potential coverage for the individual or the individual's spouse or dependents, or endorsing over to the department any and all drafts, checks, money orders or any other negotiable instruments connected with the payment of 3rd-party medical claims to third parties, liable parties or potentially liable third parties. The appointment includes complete access to medical expense records and data, insurance policies and coverage and all other information relating to MaineCare's duty to cost-avoid and seek other coverage or payment response.

Sec. JJJ -2. 22 MRSA §14, sub-§2-H, ¶A , as amended by PL 2003, c. 20, Pt. K, §2, is further amended to read:

2-H. Honoring of assignments. The following provisions apply to claims for payment submitted by the department or a health care provider.

A. Whenever ~~a participating health care provider or~~ the department submits claims to ~~an~~ health insurer, as defined in ~~Title 24-A, section 4, or to a health maintenance organization~~ 42 United States Code, section 1396a(a)(25)(I), including self-insured plans, group health plans as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, service benefit plans, managed care organizations, pharmacy benefit managers or other parties that are, by statute, contract or agreement, legally responsible for payment of a claim for a health care item or service, on behalf of a current or former recipient under the MaineCare program for whom an assignment of rights has been received, or whose rights have been assigned by the operation of law, the health insurer ~~or health maintenance organization~~ doing business in the State must respond to the department within 60 days ~~of receipt of a claim by forwarding payment or issuing a notice of denial directly to the submitter of the claim.~~ and:

(1) provide information, with respect to individuals who are eligible for, or are provided, medical assistance under MaineCare, upon the request of the State, to determine during what period the individual or the individual's spouse or dependents may be or may have been covered by a health insurer and the nature of the coverage that is or was provided by the health insurer, including the name, address, and identifying number of the plan, in a manner prescribed by the Secretary of the United States Department of Health and Human Services;

(2) accept the State's right of recovery and the assignment to the State of any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the state plan;

(3) respond to any inquiry by the State regarding a claim for payment for any health care item or service that is submitted not later than 3 years after the date of the provision of such health care item or service; and

(4) agree not to deny a claim submitted by the State solely on the basis of the date of submission of the claim, the type or format of the claim form or a failure to present proper documentation at the point-of-sale that is the basis of the claim, if

(a) the claim is submitted by the State within the 3-year period beginning on the date on which the item or service was furnished; and

(b) any action by the State to enforce its rights with respect to such claim is commenced within 6 years of the State's submission of such claim.

Sec. JJJ -3. 22 MRSA §14, sub-§2-H, ¶B, as amended by PL 2003, c. 20, Pt. K, §2 is repealed.

Sec. JJJ -4. 22 MRSA §14, sub-§3, first ¶, as amended by PL 2003, c. 20, Pt. K, §2 is further amended to read:

3. Definitions. For purposes of this section, "3rd party" or "liable party" of "potentially liable party" means any entity, including, but not limited to, ~~an insurance carrier~~ any health insurer as defined in 42 United States Code, section 1396a (a)(25)(I) and any other parties that are, by statute, contract or agreement, legally responsible for payment of a claim for a health care item or service, that may be liable under a contract to provide health, automobile, workers' compensation or other insurance coverage that is or may be liable to pay all or part of the medical cost of injury, disease, disability or similar occurrence of an applicant or recipient of benefits under the MaineCare program. For purposes of this section and sections 18 and 19, an "insurance carrier" includes, but is not limited to, health insurers, group health plans as defined in 29 United States Code, section 1167(1), service benefit plans and health maintenance organizations, as well as any other entity defined in 42 United States Code, section 1396a(a)(25)(I).

Sec. JJJ -5. 39-A MRSA §209, sub-§4 is enacted to read:

<u>**4. MaineCare reimbursement.** MaineCare must be paid 100% of any expenses incurred for the treatment of an injury of an employee under this Title.</u>

Sec. JJJ -6. 39-A MRSA §324, sub-§1, as enacted by PL 1991, c. 885, Pt. A. §8 and affected by §§9 to 11, is amended to read:

1. Order or decision. The employer or insurance carrier shall make compensation payments within 10 days after the receipt of notice of an approved agreement for payment of compensation or within 10 days after any order or decision of the board awarding compensation. If the board enters a decision awarding compensation and an appeal is filed with the Law Court pursuant to section 322, payments may not be suspended while the appeal is pending. The employer or insurer may recover from an employee payments made pending appeal to the Law Court if and to the extent that the Law Court has decided that the employee was not entitled to the compensation paid. The board has full jurisdiction to determine the amount of overpayment, if any, and the amount and schedule of repayment, if any. The board, in determining whether or not repayment should be made and the extent and schedule of repayment, shall consider the financial situation of the employee and the employee's family and may not order repayment that would work hardship or injustice. <u>The board shall notify the Commissioner of Health and Human Services within 10 days after the receipt of notice of an approved agreement for payment of compensation or within 10 days after any order or decision of the board awarding compensation identifying the employee who is to receive the compensation.</u>

Please ADD the following new Part KKK as follows:

Part KKK

Sec. KKK -1. Calculation and transfer; General Fund savings for cooperative agreement with University of Southern Maine; Department of Health and Human Services. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in the Department of Health and Human Services related to restructuring its cooperative agreement with the University of Southern Maine that applies to each applicable General Fund account in the department and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2007-08 and fiscal year 2008-09.

Please ADD the following new Part LLL to LD 499 as follows:

Part LLL

Sec. LLL-1. 34-A MRSA § 3064-A is enacted to read:

§ 3064-A. Transfer to private prisons

1. Transfer of prisoner. The commissioner may transfer any prisoner serving a sentence in a departmental correctional facility to a correctional institution operated by a private provider of correctional programs pursuant to a contract with the private provider.

2. Provisions. The rights and responsibilities that apply to prisoners transferred pursuant to the interstate compact under sections 9401 to 9424 apply to prisoners transferred pursuant to this section and must be incorporated into the contract.

3. Effect. Any prisoner confined in a correctional institution pursuant to this section shall at all times be subject to the jurisdiction of the department and may at any time be removed from the institution for transfer to a departmental correctional facility, for transfer to another institution in which the department may have a contractual or other right to confine prisoners, for conditional release, for discharge or for any other purpose permitted by the laws of this State.

Any prisoner transferred under this section is subject to the term of the prisoner's original sentence as if the prisoner were serving the sentence within the confines of a departmental facility, becomes eligible for deductions from the term of imprisonment as provided in Title 17-A section 1253, becomes eligible for furlough, work or other release programs, and supervised community confinement as authorized by sections 3035 and 3036-A and becomes eligible for release and discharge as provided in Title 17-A section 1254.

The fact of confinement pursuant to this section shall not deprive any prisoner so confined of any legal rights which the prisoner would have had if confined in an appropriate departmental facility, including access to the courts of this State.

4. Powers. The commissioner is authorized do all things necessary or incidental to carry out this section in every particular.

Please ADD the following new Part MMM to LD 499 as follows:

Part MMM

Sec. MMM-1. Lapsed balances. Notwithstanding any other provision of law, $4,860 of unencumbered balance forward in fiscal year 2005-06 in the Library Special Acquisitions, General Fund account in the Maine State Library lapses to the General Fund in fiscal year 2006-07.

Summary

Part C specifies a mill expectation of 7.44 for fiscal year 2007-08; the total cost of funding public education from kindergarten to grade 12, consisting of total operating allocation, total debt service allocation and total adjustments and miscellaneous costs; and the state and local share of those costs.

Part D, section D-7 clarifies the legislative intent of the eligibility provision in Public Law 2005, chapter 519, Part AAAA-22 that certain municipalities receive the minimum state allocation.

Part BBB lapses $10,000,000 from the Drugs for Maine's Elderly General Fund account in the Department of Health and Human Services to the General Fund in fiscal year 2006-07.

Part DDD authorizes State Controller to transfer $1,000,000 by June 30, 2007 from the Office of Securities Other Special Revenue Funds account in the Department of Professional and Financial Regulation to the unappropriated surplus of the General Fund.

Part EEE transfers $9,500,000 currently available in the General Fund Profit and Loss account to the unappropriated surplus of the General Fund and subsequently transfers the same amount from the unappropriated surplus of the General Fund to the Medical Care – Payments to Providers General Fund account. As a result of the transfers, $9,500,000 is available for deappropriation from the Medical Care – Payments to Providers account.

Part FFF authorizes the State Controller to $15,000,000 in fiscal year 2007-08 from Other Special Revenue Funds to the unappropriated surplus of the General Fund no later than June 30, 2008. On July 1, 2008, the State Controller shall transfer $15,000,000 from the General Fund unappropriated surplus along with interest to Other Special Revenue Funds as repayment. This transfer is considered an inter-fund advance to be repaid with interest compounded annually at the earnings rate within the Treasurer of State's cash pool on the date of the advance.

Part GGG increases the prescription drug copayments to be collected from MaineCare members from $2.50 to $3.00 per prescription dispensed. The per member per month cap on total copayments is not changed.

Part HHH authorizes the Office of Information Technology to enter into financing arrangements on or after January 1, 2008 and on or after January 1, 2009 for the acquisition of hardware, software and systems to support the development of new applications and for the enhancement and modification of current application systems. It also establishes principal amounts, term and maximum interest rates and specifies that payment for the debt service costs shall be paid by the affected departments.

Part III authorizes the State Controller to transfer $2,229,354 by June 30, 2007 from the Accident, Sickness & Health Insurance Internal Service Fund in the Department of Administrative & Financial Services to the unappropriated surplus of the General Fund.

Part JJJ is mandated by section 6035 of the Deficit Reduction Act of 2005. It requires "health insurers," broadly defined as including self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, managed care organizations, pharmacy benefit managers, and any other parties that are, by statute, contract or agreement, legally responsible for payment of a claim for a health care item or service, as a condition of doing business in the State to:

1) provide the Department of Health and Human Services, Office of MaineCare Services with eligibility and coverage information that will enable it to determine the existence of third-party coverage for MaineCare recipients;
2) accept the State's right of recovery and the assignment to the State of the right of a Medicaid recipient or other entity to payment from such party for an item or service for which Medicaid has made payment; and
3) process, and if appropriate, pay the claim for reimbursement from MaineCare to the same extent that the plan would have been liability had it been properly billed at the point-of-sale.

Additionally, sections 5 and 6 require MaineCare expenses incurred for the treatment of an injury of an employee covered by workers' compensation to be reimbursed 100% and requires the Workers' Compensation Board to notify the Commissioner of Health and Human Services within 10 days after the receipt of notice of an approved agreement for payment of compensation or within 10 days after any order or decision of the board awarding compensation identifying the employee who is to receive the compensation.

Part KKK provides the method for distributing departmentwide savings within the Department of Health and Human Services that will result from restructuring its cooperative agreement with the University of Southern Maine, Muskie School of Public Service.

Part LLL authorizes the Department of Corrections to transfer prisoners sentenced to the department to correctional institutions operated by private providers.
Part MMM lapses $4,860 of the unencumbered balance in the Library Special Acquisitions account lapses to the unappropriated surplus of the General Fund in fiscal year 2006-07.

GENERAL FUND

	2007	2008	2009
Beginning Balance	*14,516,599*	*798,190*	*4,809,478*
Appropriations ~ *(Increase)/Decrease Fund Balance*			
PL 2007 c. 1	75,930,111		
Other Laws	2,917,678,445		
LD 499 Part A Baseline		3,047,259,682	3,062,096,178
LD 499 Part A Initiatives		110,359,820	212,749,363
3/19/2007 Change Package		10,012,095	(10,933,941)
4/6/2007 Change Package	(20,865,738)	(7,216,568)	(33,907,145)
	$ 2,972,742,818	$ 3,160,415,029	$ 3,230,004,455
Undedicated Revenue ~ *Increase/(Decrease) Fund Balance*			
PL 2007 c. 1	340,205		
Other Laws	3,020,607,710		
LD 499 Part A Baseline		3,077,674,115	3,159,461,176
LD 499 Part E Repeals Fund for Efficient Delivery of Educational Services in DOE		14,907,337	21,473,917
LD 499 Part S Delays the increase from 5.1% to 5.2% in Municipal Revenue Sharing to July 1, 2009.		2,646,366	2,737,527
LD 499 Part T Increases the tax on cigarettes and tobacco products effective as of July 1, 2007.		68,296,528	68,056,331
LD 499 Part U Delays implementation of the education tax credit from donations made on or after Jan. 1, 2007 to Jan. 1, 2009.		1,515,835	3,087,625
LD 499 Part V Amends the three-factor corporate income apportionment formula to a single factor, based upon sales, effective for tax years beginning on or after January 1, 2007.		6,195,641	5,403,404
3/19/2007 Change Package	(223,708)	(989,132)	(460,502)
RFC - Adjustment identified on 3/19/2007	(4,400,000)		
RFC - Additional adjustment	(29,336,442)	(21,003,856)	(19,583,936)
	$ 2,986,987,765	$ 3,149,242,834	$ 3,240,175,542
Adjustments to Fund Balance ~ *Increase/(Decrease) Fund Balance*			
PL 2007 c. 1	865,037		
PL 2007 c. 1	(11,052,830)		
Other Laws - Sources	126,226,955		
Other Laws - Uses	(157,236,732)		
LD 499 Part M (VEIP): Lapses $350,000 each year from the General Fund Compensation and Benefit Plan to the General Fund.		350,000	350,000
3/19/2007 Change Package	4,300,000	833,483	-
4/6/2007 Change Package	8,934,214	14,000,000	(14,000,000)
	$ (27,963,356)	$ 15,183,483	$ (13,650,000)
Ending Balance	$ 798,190	$ 4,809,478	$ 1,330,565

FISCAL NOTE
LD 499 Change Package #2 - 4/6/2007

APPROPRIATIONS AND ALLOCATIONS

		2006-07	2007-08	2008-09	BIENNIUM
GENERAL FUND					
Part A, Section 1		(11,365,738)	(7,216,568)	(33,907,145)	(41,123,713)
Part EEE, Section 3		(9,500,000)			
	Total	(20,865,738)	(7,216,568)	(33,907,145)	(41,123,713)
FEDERAL EXPENDITURES FUND					
Part A, Section 1		-	27,705,199	(10,247,447)	17,457,752
	Total	-	27,705,199	(10,247,447)	17,457,752
OTHER SPECIAL REVENUE FUNDS					
Part A, Section 1		3,895,963	3,985,525	4,549,175	8,534,700
	Total	3,895,963	3,985,525	4,549,175	8,534,700

ADJUSTMENTS TO BALANCE
General Fund Unappropriated Surplus

		2006-07	2007-08	2008-09	BIENNIUM
Part BBB, Section 1 Health and Human Services, Department of		5,700,000			
Part DDD, Section 1 Professional and Financial Regulation, Department of		1,000,000			
Part FFF, Section 1 Statewide Activities			14,000,000	(14,000,000)	
Part III, Section 1 Administrative and Financial Services, Department of		2,229,354			
Part MMM, Section 1 Maine State Library		4,860			
	Total	8,934,214	14,000,000	(14,000,000)	

POSITION COUNT IMPACT
CHANGE PACKAGE #2 LD 499

Administrative and Financial Services, Department of

Account	Program	Position	Current	Revised	Net Impact
01218A008007	BUILDING OPERATIONS	Bldg. Control Supervisor	1.00		(1.00)
		Assistant Technician	1.00	0.50	(0.50)
		Bldg. Control Technician	1.00		(1.00)
01018A008001	BPI BUILDING OPERATIONS	Bldg. Control Supervisor		1.00	1.00
		Bldg. Control Technician		1.00	1.00
04318A008005	REAL PROPERTY LEASE INTERNAL SERVICE FUND ACCT	Bldg. Control Technician		0.50	0.50
			3.00	**3.00**	**-**

Commerce, Maine Department of

Account	Program	Position	Current	Revised	Net Impact
01402A009401	ADMINISTRATIVE SERVICES DIV	Commissioner	1.00		(1.00)
		Assistant to Commissioner	1.00		(1.00)
		Secretary Specialist	1.00		(1.00)
		Secretary	1.00		(1.00)
		Senior Counsel	1.00		(1.00)
01402A094301	OFFICE OF SECURITIES	Office of Securities Administrator (Director OCP acting)	1.00		(1.00)
		Secretary Specialist OCP	1.00		(1.00)
			7.00	**-**	**(7.00)**

Corrections, Department of

Account	Program	Position	Current	Revised	Net Impact
01003C016201	MAINE CORRECTIONAL CENTER	Psychiatric Social Worker II	1.00		
01003A014101	DEPARTMENT OF CORRECTIONS	Psychiatric Social Worker II		1.00	
01003E040001	CHARLESTON CORRECTIONAL FACILITY	9 limited-period Corrections Officers			
		2 limited-period Correctional Cooks			
		1 limited-period Unit Manager			
		1 limited-period Office Associate II			
		1 limited-period Correctional Caseworker			
		1 limited-period Vocational Trade Instructor			
			1.00	**1.00**	**-**

	Current	Revised	Net Impact
Total Impact on Position Count	**11.00**	**4.00**	**(7.00)**

UPDATED Change Package # 2

Line 38

52 52 39

UPDATED

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

Program	Fund	2003-04 Expenditures	2004-05 Expenditures	2005-06 Appropriation\ Allocation Thru 122nd 2R	2005-06 Allotment	2005-06 Expenditures	2005-06 Unexpended Balance	2006-07 Appropriation\ Allocation Thru 122nd 2R /1	EFY 07 Supp (PL 2007, c. 1)	2006-07 Appropriation\ Allocation Thru EFY 07 Supp /1	2006-07 Allotment /1	Expenditures as of 3/30/07 (Week 39 of 52)	2006-07 Average Allotment Per Week	2006-07 Average Expenditures Per Week	2006-07 Average Weekly Variance	2006-07 Variance Straight Line Trend
0202 Drugs for Maine Eldely	GF	$0	$0	$10,427,052	$10,427,052	$814,229	$9,612,823	$8,827,168	$0	$8,827,168	$18,439,990	$1,320,300	$354,615	$33,854	$320,761	$16,679,591
Z015 FHM - Drugs for the Elderly & Disabled	FHM	$0	$0	$9,664,409	$9,664,409	$7,431,659	$2,232,750	$8,898,741	($810,000)	$8,088,741	$10,321,491	$2,481,440	$198,490	$63,627	$134,864	$7,012,905
0202 Drugs for Maine Eldely	OSR	$0	$0	$0	$0	$0	$0	$2,660,907	$0	$2,660,907	$2,660,907	$0	$51,171	$0	$51,171	$2,660,907