

MAINE STATE LEGISLATURE

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ROES

L.D. 1066

Date: 5/31/13

majority

(Filing No. H-286)

HEALTH AND HUMAN SERVICES

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

COMMITTEE AMENDMENT "A" to H.P. 759, L.D. 1066, Bill, "An Act To Increase Access to Health Coverage and Qualify Maine for Federal Funding"

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

'PART A

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

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

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

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

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

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

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

COMMITTEE AMENDMENT

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

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

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

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

Sec. A-4. Contingent repeal. The Maine Revised Statutes, Title 22, section 3174-G, subsection 1, paragraphs H and I are repealed if:

1. Enhanced Federal Medical Assistance Percentage. The enhanced Federal Medical Assistance Percentage with respect to amounts expended for medical assistance for newly eligible Medicaid individuals described in 42 United States Code, Section 1396a(a)(10)(A)(i)(VIII) is reduced below one of the following amounts in effect for the period specified:

- A. One hundred percent for calendar quarters in 2014, 2015 and 2016;
- B. Ninety-five percent for calendar quarters in 2017;
- C. Ninety-four percent for calendar quarters in 2018;
- D. Ninety-three percent for calendar quarters in 2019; or
- E. Ninety percent for calendar quarters in 2020;

2. Reduction in enhanced Federal Medical Assistance Percentage effective. The reduction in the enhanced Federal Medical Assistance Percentage described in subsection 1 has taken effect; and

3. Legislative session of at least 30 days. After the reduction of the enhanced Federal Medical Assistance Percentage as described in subsections 1 and 2, the Legislature has convened and conducted a session of at least 30 calendar days.

PART B

Sec. B-1. Obtaining federal approval for enhanced federal match. The Commissioner of Health and Human Services shall take all steps necessary to secure an enhanced Federal Medical Assistance Percentage for services provided to the MaineCare childless adult waiver population in the State equal to that available under the federal Patient Protection and Affordable Care Act for newly eligible Medicaid individuals. If

R O F S

required, by October 1, 2013, the commissioner shall prepare and submit to the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services an analysis of the benefits available under the MaineCare childless adult waiver population as of December 1, 2009. In preparing and submitting this analysis, the commissioner shall compare these services to those of the 3 benchmark plans specified by the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Sec. B-2. Report. The Commissioner of Health and Human Services shall report no later than November 1, 2013 to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services on efforts to secure the maximum Federal Medical Assistance Percentage under section 1, including any correspondence with the federal Department of Health and Human Services regarding these efforts.

PART C

Sec. C-1. Evaluation of programs. The Commissioner of Health and Human Services, the Commissioner of Corrections and the Executive Director of the State Board of Corrections shall evaluate the impact of the MaineCare expansion authorized in Part A on programs and services that do not currently receive Federal Medical Assistance Percentage matching funds or do not qualify for enhanced Federal Medical Assistance Percentage matching funds under the federal Patient Protection and Affordable Care Act, with the goal of identifying and maximizing General Fund savings. In evaluating the programs and services under this Part, the commissioners and the executive director shall at a minimum evaluate the impact on the following programs and services: the state-funded Mental Health Services - Community, Office of Substance Abuse and General Assistance - Reimbursement to Cities and Towns programs; services provided for individuals between 21 and 64 years of age who are currently eligible for MaineCare under medically needy, spend-down criteria; services provided under the Maine HIV/AIDS Section 1115 Demonstration Waiver; services provided for parents participating in family reunification activities; services provided for disabled individuals between 21 and 64 years of age with incomes below 139% of the federal poverty level; services provided to individuals awaiting a MaineCare disability determination for whom the applications are subsequently granted; services provided to individuals who would have been considered eligible on the basis of a disability but for whom the full determination process was not completed; and medical services provided to persons in the care and custody of the Department of Corrections or a county correctional facility.

Sec. C-2. Report. The Commissioner of Health and Human Services, the Commissioner of Corrections and the Executive Director of the State Board of Corrections shall report no later than March 1, 2014 to the Joint Standing Committee on Appropriations and Financial Affairs, the Joint Standing Committee on Health and Human Services and the Joint Standing Committee on Criminal Justice and Public Safety on the amount of General Fund savings resulting from the MaineCare expansion authorized in Part A and identified in section 1. The report must include the amount of savings realized during fiscal year 2013-14 by service area or program and the amount of

1 savings projected to be achieved during the remainder of that fiscal year and during fiscal
2 year 2014-15 by service area or program.

3 **Sec. C-3. Calculation and transfer.** Notwithstanding any other provision of law,
4 the State Budget Officer shall calculate the amount of savings identified in this Part that
5 applies against each General Fund account statewide as a result of the expansion of
6 MaineCare eligibility authorized in Part A and shall transfer the amounts up to the
7 amounts specified in section 4 by financial order upon the approval of the Governor.
8 These transfers are considered adjustments to appropriations in fiscal year 2013-14 and
9 fiscal year 2014-15. The State Controller shall transfer any amounts identified under this
10 Part greater than the amounts specified in section 4 to the MaineCare Stabilization Fund
11 established under the Maine Revised Statutes, Title 22, section 3174-KK. The State
12 Budget Officer shall provide a report of the transferred amounts to the Joint Standing
13 Committee on Appropriations and Financial Affairs no later than June 30, 2014 for fiscal
14 year 2013-14 and to the joint standing committee of the Legislature having jurisdiction
15 over appropriations and financial affairs no later than June 30, 2015 for fiscal year 2014-
16 15.

17 **Sec. C-4. Appropriations and allocations.** The following appropriations and
18 allocations are made.

19 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
20 **Executive Branch Departments and Independent Agencies - Statewide 0017**

21 Initiative: Deappropriates funds on a statewide basis for savings to be identified under
22 this Part in existing state programs that result from the expansion of MaineCare
23 eligibility.

24	GENERAL FUND	2013-14	2014-15
25	Unallocated	(\$2,700,000)	(\$5,900,000)
26			
27	GENERAL FUND TOTAL	<u>(\$2,700,000)</u>	<u>(\$5,900,000)</u>

28 **PART D**

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

31 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**
32 **Bureau of Family Independence - Regional 0453**

33 Initiative: Provides funding for 6 Family Independence Unit Supervisor positions, 13
34 Office Assistant II positions and 64 Eligibility Specialist positions in the Office for
35 Family Independence program and for related All Other costs necessary to implement and
36 administer the MaineCare eligibility changes. This assumes the Eligibility Specialist
37 positions are funded 25% General Fund and 75% Other Special Revenue Funds and the
38 other positions are funded 50% General Fund and 50% Other Special Revenue Funds.

ROFS

1	GENERAL FUND	2013-14	2014-15
2	POSITIONS - LEGISLATIVE COUNT	83,000	83,000
3	Personal Services	\$1,842,615	\$1,896,901
4	All Other	\$167,534	\$167,534
5			
6	GENERAL FUND TOTAL	<u>\$2,010,149</u>	<u>\$2,064,435</u>
7	OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
8	Personal Services	\$4,185,245	\$4,308,290
9	All Other	\$322,362	\$326,739
10			
11	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$4,507,607</u>	<u>\$4,635,029</u>
12	Medical Care - Payments to Providers 0147		
13	Initiative: Provides funds for the costs of MaineCare coverage for newly eligible adults		
14	under 139% of the federal poverty line.		
15	FEDERAL EXPENDITURES FUND	2013-14	2014-15
16	All Other	\$62,851,289	\$263,724,061
17			
18	FEDERAL EXPENDITURES FUND TOTAL	<u>\$62,851,289</u>	<u>\$263,724,061</u>
19	Medical Care - Payments to Providers 0147		
20	Initiative: Provides funds for the costs of MaineCare coverage for the childless adult		
21	waiver population.		
22	FEDERAL EXPENDITURES FUND	2013-14	2014-15
23	All Other	\$29,301,300	\$61,474,140
24			
25	FEDERAL EXPENDITURES FUND TOTAL	<u>\$29,301,300</u>	<u>\$61,474,140</u>
26	HEALTH AND HUMAN SERVICES,		
27	DEPARTMENT OF (FORMERLY DHS)		
28	DEPARTMENT TOTALS	2013-14	2014-15
29			
30	GENERAL FUND	\$2,010,149	\$2,064,435
31	FEDERAL EXPENDITURES FUND	\$92,152,589	\$325,198,201
32	OTHER SPECIAL REVENUE FUNDS	\$4,507,607	\$4,635,029
33			
34	DEPARTMENT TOTAL - ALL FUNDS	<u>\$98,670,345</u>	<u>\$331,897,665</u>
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SUMMARY

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This amendment replaces the bill.

Part A expands medical coverage under the MaineCare program to adults who qualify under federal law with incomes up to 133% of the nonfarm income official poverty line, with the 5% federal income adjustment for family size, and qualifies Maine to receive federal funding for 100% of the cost of coverage for members who enroll under the expansion. Adults who will be eligible are those 21 to 64 years of age beginning January 1, 2014 and adults 19 and 20 years of age beginning October 1, 2019. The expansion of Medicaid eligibility contained in this Part is repealed if 3 circumstances occur: the enhanced Federal Medical Assistance Percentage for calendar years 2014 through 2020 is reduced below certain stated levels; the reduced enhanced Federal Medical Assistance Percentage has taken effect; and after the occurrence of the reduction of the enhanced Federal Medical Assistance Percentage the Legislature has convened and conducted a session of at least 30 calendar days.

Part B requires the Commissioner of Health and Human Services to take all steps necessary to secure an enhanced federal match rate for services provided to the MaineCare childless adult waiver population and to report to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services by November 1, 2013 on these efforts.

Part C requires the Commissioner of Health and Human Services, the Commissioner of Corrections and the Executive Director of the State Board of Corrections to evaluate the impact of the MaineCare expansion on programs and services that do not currently receive Federal Medical Assistance Percentage matching funds or do not qualify for enhanced Federal Medical Assistance Percentage matching funds under the federal Patient Protection and Affordable Care Act, with the goal of identifying and maximizing General Fund savings. Part C requires a report by March 1, 2014 to the Joint Standing Committee on Appropriations and Financial Affairs, the Joint Standing Committee on Health and Human Services and the Joint Standing Committee on Criminal Justice and Public Safety on the amount of General Fund savings resulting from the MaineCare expansion. The report must include the amount of savings realized during fiscal year 2013-14 by service area or program and the amount of savings projected to be achieved during the remainder of that fiscal year and during fiscal year 2014-15. Part C requires the State Budget Officer to calculate the amount of savings that applies against each General Fund account for all departments and agencies from savings associated with the MaineCare expansion and to transfer the amounts by financial order upon the approval of the Governor. It requires the State Controller to transfer any remaining savings to the MaineCare Stabilization Fund. Part C requires the State Budget Officer to provide a report of the transferred amounts to the Joint Standing Committee on Appropriations and Financial Affairs no later than June 30, 2014 and a 2nd report by June 30, 2015.

Part D provides funding for positions in the Department of Health and Human Services, Bureau of Family Independence.

FISCAL NOTE REQUIRED

(See attached)



126th MAINE LEGISLATURE

LD 1066

LR 1098(02)

An Act To Increase Access to Health Coverage and Qualify Maine for Federal Funding

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-286)

Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	(\$689,851)	(\$3,835,565)	(\$3,778,658)	\$5,226,166
Appropriations/Allocations				
General Fund	(\$689,851)	(\$3,835,565)	(\$3,778,658)	\$5,226,166
Federal Expenditures Fund	\$92,152,589	\$325,198,201	\$341,132,913	\$348,902,215
Other Special Revenue Funds	\$4,507,607	\$4,635,029	\$4,764,278	\$4,897,404
Revenue				
Other Special Revenue Funds	\$4,507,607	\$4,635,029	\$4,764,278	\$4,897,404

Fiscal Detail and Notes

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

Part C requires an evaluation of current state programs to identify savings that would result from the MaineCare expansion, identifies programs and populations that may realize savings and deappropriates funds statewide assuming these savings are then identified and distributed. The specific programs and amount of savings that will be realized and distributed to each cannot be determined at this time. As a benchmark, the implementation of the MaineCare childless adults waiver effective October 2002 resulted in subsequent savings of \$1,800,000 deappropriated in the Mental Health Services - Community program in fiscal year 2002-03 (PL 2001 c.714). Part C includes deappropriations of \$2,700,000 in 2013-14 and \$5,900,000 in 2014-15 in the Executive Branch Departments and Independent Agencies -Statewide program in the Department of Administrative and Financial Services for savings to be identified in existing programs as a result of the expansion of MaineCare eligibility.

CA(H-286)

Part D of the bill includes General Fund appropriations of \$2,010,149 in 2013-14 and \$2,064,435 in 2014-15 for the Bureau of Family Independence - Regional program in the Department of Health and Human Services for the state share of the costs of 83 new positions to administer the MaineCare eligibility expansion. Part D also includes Federal Expenditures Fund allocations totaling \$92,152,589 in 2013-14 and \$325,198,201 in 2014-15 as detailed below. The estimated federal allocations assume 100 percent federal matching funds for the first three years of the expansion for both the current childless adult waiver population and the newly eligible adult population below 139% of the federal poverty line and a 97.5 % federal match in 2016-17. Obtaining a 100% federal match for the current childless adult waiver population and not the "expansion states" federal match (estimated to be 80.78 % in 2013-14 and 82.70% in 2014-15) assumes that under Part B, the Department of Health and Human Services will successfully take the steps indicated by the federal Department of Health and Human Services to secure the "newly eligible" 100% federal match.

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Childless Adults Waiver (below 100% of the Federal Poverty Line)				
Estimated Population	10,500			
Estimated Cost per Year	\$5,581	\$29,301,300	\$61,474,140	\$64,486,373
Assumed Federal Match		100.0%	100.0%	100.0%
State Share of Costs		\$0	\$0	\$0
				\$1,691,155
Childless Adults (Below 139% of the Federal Poverty Line)				
Estimated Population	45,045			
Estimated Cost per Year	\$5,581	\$62,851,289	\$263,724,061	\$276,646,540
Assumed Federal Match		100.0%	100.0%	100.0%
State Share of Costs		\$0	\$0	\$0
				\$7,255,056
Total Federal Allocation		\$92,152,589	\$325,198,201	\$341,132,913
Total State share		\$0	\$0	\$0
				\$8,946,211

Funding for the new positions included in Part D reflect a 75% federal match for the 64 Eligibility Specialist positions and a 50% federal match for the other new positions. The funding for the Eligibility Specialist positions assumes a 700 person caseload for each new position. This is the target caseload the Department of Health and Human Services has identified for the Eligibility Specialist positions.

This bill does not include appropriations for the MaineCare costs of coverage for the current 19-20 year old population and for the current parents population under 139% of the federal poverty line. The Department of Health and Human Services has indicated funding for the continued MaineCare coverage for these populations has been included in the MaineCare baseline adjustments reflected in the proposed Governor's 2014-2015 Biennial Budget Bill, LD 1509.