

MAINE STATE LEGISLATURE

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Date: 4-7-16

Majority

(Filing No. S-487)

HEALTH AND HUMAN SERVICES

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

127TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 226, L.D. 633, Bill, "An Act To Improve the Health of Maine Citizens and the Economy of Maine by Providing Affordable Market-based Coverage Options to Low-income Uninsured Citizens"

Amend the bill by striking out everything after the enacting clause 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

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

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

H. Beginning January 1, 2017, a person under 65 years of age who is not otherwise eligible for assistance under this section and who qualifies for medical assistance pursuant to 42 United States Code, Section 1396a(a)(10)(A)(i)(VIII) when the person's income is equal to or below 133% plus 5% of the nonfarm income official poverty line for the applicable family size, subject to the requirements of this paragraph.

(1) A person with income equal to or below 100% of the nonfarm income official poverty line for the applicable family size is eligible to receive coverage that is identical to the coverage provided to a person eligible under paragraph E.

(2) A person with income above 100% and equal to or below 133% plus 5% of the nonfarm income official poverty line for the applicable family size is eligible to receive coverage through a private individual or group qualified health plan along with all other services as provided to a person eligible under paragraph E. The department shall enroll a person in a qualified health plan and provide premium assistance in accordance with this subparagraph, except that a person described in this subparagraph who is defined as "medically frail" in accordance with 42 Code of Federal Regulations, Section 440.315(f) is exempt from mandatory enrollment in a private individual or group qualified health plan and must receive MaineCare coverage. A person who has access to or who is enrolled in a private group health plan or who is enrolled in the Private Health Insurance Premium Program pursuant to section 18 may receive coverage under this subparagraph.

(a) A person who participates in the Private Health Insurance Premium Program under section 18 and this subparagraph is responsible for premium payments up to 2% of annual income and copayments in accordance with 42 United States Code, Section 1396o. Premiums and allowable cost sharing incurred by all persons in the household may not exceed an aggregate limit of 5% of the household's income.

(b) If a premium is not paid for any month for which it is due and remains unpaid, the department shall give notice of nonpayment upon the premium becoming overdue and again at the beginning of the 3rd month following nonpayment. If the overdue premium is not paid within 30 days of the end of the 3rd month, coverage must then be terminated unless the person qualifies for a waiver of the premium for good cause as determined in rules adopted by the department.

(c) A person whose coverage has been terminated for nonpayment of premium and who has received coverage for a month or longer without premium payment may not receive premium assistance until either the person pays any unpaid premium or after a waiting period equal to the number of months for which payment was not made, up to a maximum waiting period of 3 months.

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1 (3) The department may contract with health carriers authorized in this State
2 under Title 24-A to provide coverage as authorized in this paragraph to maximize
3 savings and to ensure access to and quality of services.

4 (4) The department shall develop mechanisms to create a seamless system of
5 eligibility for premium assistance for a person who, at the time of enrollment in a
6 qualified health plan pursuant to this paragraph, is already enrolled in a group or
7 individual qualified health plan. If having the federally facilitated marketplace
8 under the United States Department of Health and Human Services determine
9 eligibility for coverage under this paragraph is more efficient and seamless, the
10 department shall initiate a procedure to enable the federally facilitated
11 marketplace to make those determinations, in which case the department shall
12 establish a prompt and accessible system to resolve disputes.

13 (5) The department shall ensure premium and cost-sharing assistance is available
14 to eligible persons with incomes above 100% and equal to or below 133% plus
15 5% of the nonfarm income official poverty line for the applicable family size
16 who apply through the federally facilitated marketplace under the United States
17 Department of Health and Human Services or through an application made to the
18 department. Premium and cost-sharing assistance may not amount to less than
19 that the individual would have received in advanced premium tax credits from
20 purchasing a health plan on the federally facilitated marketplace or cost-sharing
21 reductions had the individual not enrolled in a private individual or group
22 qualified health plan pursuant to subparagraph (2).

23 (6) The department shall adopt rules necessary to implement this paragraph in a
24 timely manner, including adopting emergency rules pursuant to Title 5, section
25 8054. These emergency rules must be adopted by January 1, 2017. Rules
26 adopted pursuant to this subparagraph are routine technical rules as defined by
27 Title 5, chapter 375, subchapter 2-A.

28 (7) This paragraph is repealed as of the earlier of the following:

29 (a) Upon notification to the department or other public declaration by the
30 United States Department of Health and Human Services, Centers for
31 Medicare and Medicaid Services that the enhanced federal medical assistance
32 percentage that applies with respect to amounts expended for medical
33 assistance for individuals newly eligible for Medicaid described in 42 United
34 States Code, Section 1396a(a)(10)(A)(i)(VIII) is reduced below the amounts
35 specified in 42 United States Code, Section 1396d(y)(1) and that reduction
36 has taken effect. The commissioner shall notify the Secretary of State, the
37 Secretary of the Senate, the Clerk of the House of Representatives and the
38 Revisor of Statutes when, pursuant to this division, notification is received or
39 public declaration is made; and

40 (b) June 30, 2019.

41 **Sec. A-4. Substance use disorder treatments.** By June 30, 2017, the
42 Department of Health and Human Services, after consultation with a stakeholder group
43 that includes representatives of health insurance carriers, substance use disorder and other

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1 health care providers and representatives of MaineCare members, shall seek approval
2 from the United States Department of Health and Human Services, Centers for Medicare
3 and Medicaid Services to provide coverage for a full continuum of substance use disorder
4 treatment services, including inpatient and short-term residential facilities.

5 **Sec. A-5. Waivers and state plan amendment requests; accepting grant**
6 **funding to assist with waiver submission.** The Department of Health and Human
7 Services may apply for and accept private foundation grants to be used to cover the
8 department's costs of preparing and submitting any waivers and state plan amendments to
9 the Federal Government and for administering, negotiating and implementing the
10 provisions of the Maine Revised Statutes, Title 22, section 3174-G, subsection 1,
11 paragraph H, including writing the state implementation plan, if required as a result of the
12 provisions of this Part.

13 On or before January 1, 2017, the commissioner shall submit to the United States
14 Department of Health and Human Services, Centers for Medicare and Medicaid Services
15 any waivers and state plan amendments necessary to implement Title 22, section 3174-G,
16 subsection 1, paragraph H. The commissioner shall act expeditiously to achieve
17 implementation of Title 22, section 3174-G, subsection 1, paragraph H. Any waiver or
18 state plan amendment submitted pursuant to this section must include provisions to
19 provide the following:

20 1. Coverage for services for adults described in Title 22, section 3174-G, subsection
21 1, paragraph H, subparagraph (2) through insurance premium assistance;

22 2. Positive incentives for persons who participate in wellness initiatives, health home
23 initiatives and other initiatives aimed at reducing and managing substance use disorders,
24 mental health disorders or chronic diseases, including, but not limited to, diabetes and
25 heart disease, as well as programs aimed at reducing risk factors for cancer or chronic
26 diseases, including, but not limited to, obesity and smoking;

27 3. Prevention initiatives to address chronic health conditions, including adequately
28 informing newly eligible persons under Title 22, section 3174-G, subsection 1, paragraph
29 H of primary care providers participating in the MaineCare program and accepting
30 patients under the MaineCare program and providing incentives for adopting healthy
31 behaviors through reduced cost sharing for accessing appropriate, clinically
32 recommended services, including preventive visits, annual wellness exams and
33 preventive health care services. The incentives must use relevant, evidence-based
34 research and resources and waive or reduce premiums or copayments for participation in
35 health improvement programs or activities;

36 4. A plan for providing access to services for adults described in Title 22, section
37 3174-G, subsection 1, paragraph H, subparagraph (2) that are provided to those eligible
38 under Title 22, section 3174-G, subsection 1, paragraph E but are not provided by
39 individual or group qualified health plans provided by a carrier;

40 5. Limitation of premium payments to up to 2% of household income and limitation
41 of copayments as allowed under 42 United States Code, Section 1396o up to a maximum
42 aggregate limit of 5% of household income for individuals covered under Title 22,
43 section 3174-G, subsection 1, paragraph H, subparagraph (2);

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- 1 6. A mechanism by which the department will pay directly to health care providers
2 and private health insurance carriers any direct payment of premium assistance and cost
3 sharing that is due to the health care providers or health insurance carriers that is beyond
4 the maximum amount allowed by federal law and regulation;
- 5 7. A request for federal approval for brokers and agents or other qualified persons
6 who are assisting people with applications for advanced premium tax credits, including
7 certified application counselors based in federally qualified health centers, to also assist
8 with applications for the MaineCare program or premium assistance through a private
9 individual or group qualified health plan pursuant to Title 22, section 3174-G, subsection
10 1, paragraph H, subparagraph (2);
- 11 8. A plan for creating a seamless system of eligibility for premium assistance for
12 those who are already enrolled in a group or individual qualified health plan, including
13 having the federally facilitated marketplace under the United States Department of Health
14 and Human Services determine eligibility for coverage under Title 22, section 3174-G,
15 subsection 1, paragraph H if making the determination through the federally facilitated
16 marketplace would be more efficient and seamless;
- 17 9. A plan for achieving savings by:
- 18 A. Ensuring that coverage provided under Title 22, section 3174-G, subsection 1,
19 paragraph H reduces costs for health care that would otherwise be incurred by the
20 Department of Corrections; and
- 21 B. Ensuring that coverage provided under Title 22, section 3174-G, subsection 1,
22 paragraph H reduces costs for health care that would otherwise be incurred after the
23 release of a prisoner from a state correctional facility or county or regional jail as a
24 result of untreated mental health and substance use disorders, including assisting
25 prisoners prior to release with applying for coverage under Title 22, section 3174-G,
26 subsection 1, paragraph H and ensuring that applications are made for coverage under
27 Title 22, section 3174-G, subsection 1, paragraph H for inpatient hospital services
28 prior to release; and
- 29 10. Provisions for referring unemployed individuals who qualify for the coverage
30 under Title 22, section 3174-G, subsection 1, paragraph H to the Department of Labor for
31 information on job search and training opportunities.

32 **Sec. A-6. Interim reporting.** Between the effective date of the Maine Revised
33 Statutes, Title 22, section 3174-G, subsection 1, paragraph H and the dates of approval of
34 the waiver and state plan amendment by the United States Department of Health and
35 Human Services, Centers for Medicare and Medicaid Services necessary for
36 implementation of Title 22, section 3174-G, subsection 1, paragraph H, the Department
37 of Health and Human Services shall provide monthly reports to the joint standing
38 committee of the Legislature having jurisdiction over health and human services matters
39 and to the joint standing committee of the Legislature having jurisdiction over
40 appropriations and financial affairs on the progress of implementation of that paragraph,
41 any issues that might delay implementation or act as barriers to implementation and any
42 possible solutions to those issues and barriers.

43 **Sec. A-7. Reporting on implementation status.** By June 1, 2017, the
44 Commissioner of Health and Human Services shall report to the joint standing committee

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1 of the Legislature having jurisdiction over health and human services matters and to the
2 joint standing committee of the Legislature having jurisdiction over appropriations and
3 financial affairs on the status of implementation of the Maine Revised Statutes, Title 22,
4 section 3174-G, subsection 1, paragraph H, including information on enrollment, costs,
5 revenues generated from the Federal Government and other revenues, anticipated state
6 savings and other issues pertinent to implementation.

7 **Sec. A-8. Appropriations and allocations.** The following appropriations and
8 allocations are made.

9 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

10 **Medical Care - Payments to Providers 0147**

11 Initiative: Deappropriates funds for an adjustment in the MaineCare baseline.

12	GENERAL FUND	2015-16	2016-17
13	All Other	\$0	(\$6,936,665)
14			
15	GENERAL FUND TOTAL	\$0	(\$6,936,665)

16 **Medical Care - Payments to Providers 0147**

17 Initiative: Provides funding for additional medical claims due to expanding medical
18 coverage under the MaineCare program to adults who qualify under federal law with
19 incomes up to 133% of the nonfarm income official poverty line, with the 5% federal
20 income adjustment for family size.

21	GENERAL FUND	2015-16	2016-17
22	All Other	\$0	\$30,551,956
23			
24	GENERAL FUND TOTAL	\$0	\$30,551,956

25	FEDERAL EXPENDITURES FUND	2015-16	2016-17
26	All Other	\$0	\$222,859,155
27			
28	FEDERAL EXPENDITURES FUND TOTAL	\$0	\$222,859,155

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

30 Initiative: Provides funding for 79 Eligibility Specialist positions, 8 Family Independence
31 Unit Supervisor positions and 16 Office Assistant II positions.

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COMMITTEE AMENDMENT "A" to S.P. 226, L.D. 633

1	GENERAL FUND	2015-16	2016-17
2	POSITIONS - LEGISLATIVE COUNT	0.000	79.000
3	Personal Services	\$0	\$1,786,743
4	All Other	\$0	\$147,214
5			
6	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,933,957</u>
7	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
8	POSITIONS - LEGISLATIVE COUNT	0.000	24.000
9	Personal Services	\$0	\$4,023,188
10	All Other	\$0	\$540,422
11			
12	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$4,563,610</u>
13	HEALTH AND HUMAN SERVICES,		
14	DEPARTMENT OF (FORMERLY DHS)		
15	DEPARTMENT TOTALS	2015-16	2016-17
16			
17	GENERAL FUND	\$0	\$25,549,248
18	FEDERAL EXPENDITURES FUND	\$0	\$222,859,155
19	OTHER SPECIAL REVENUE FUNDS	\$0	\$4,563,610
20			
21	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$252,972,013</u>

22 **PART B**

23 **Sec. B-1. Calculation and transfer of savings.** Notwithstanding any other
24 provision of law, the State Budget Officer shall calculate the amount of savings identified
25 in this Part that applies against each General Fund account statewide as a result of the
26 expansion of MaineCare eligibility authorized in the Maine Revised Statutes, Title 22,
27 section 3174-G, subsection 1, paragraph H and shall transfer the amounts up to the
28 amounts as specified in section 4 of this Part by financial order upon the approval of the
29 Governor. These transfers are considered adjustments to appropriations in fiscal year
30 2016-17 and fiscal year 2017-18. The State Controller shall transfer any amounts
31 identified under this Part greater than the amounts specified in this Part to the MaineCare
32 Stabilization Fund established under Title 22, section 3174-KK. The State Budget
33 Officer shall provide a report of the transferred amounts to the joint standing committee
34 of the Legislature having jurisdiction over appropriations and financial affairs no later
35 than May 31, 2017 for fiscal year 2016-17 and no later than May 31, 2018 for fiscal year
36 2017-18 and shall submit adjustments to baseline budget requests totaling no less than
37 \$27,000,000 per year to reflect the continuation of the identified savings in the 2018-2019
38 biennium.

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1 The Commissioner of Health and Human Services, the Commissioner of Corrections
2 and the commissioner of any other department that recognizes savings as a result of
3 implementation of the Maine Revised Statutes, Title 22, section 3174-G, subsection 1,
4 paragraph H shall report no later than April 30, 2017, April 30, 2018 and April 30, 2019
5 to the joint standing committee of the Legislature having jurisdiction over health and
6 human services matters, the joint standing committee of the Legislature having
7 jurisdiction over appropriations and financial affairs and the joint standing committee of
8 the Legislature having jurisdiction over criminal justice and public safety matters on the
9 amount of General Fund savings and other fund savings resulting from coverage provided
10 under that paragraph, including, but not limited to, savings to substance abuse and mental
11 health programs; medical services provided to persons in the care and custody of or upon
12 release by the Department of Corrections or a county jail or regional jail; reimbursement
13 to cities and towns for general assistance provided under Title 22, chapter 1161; services
14 provided for individuals between 21 and 64 years of age who are currently eligible for the
15 MaineCare program under medically needy, spend-down criteria; services provided under
16 the Maine Medicaid Section 1115 Health Care Reform Demonstration for Individuals
17 with HIV/AIDS; services provided for parents participating in family reunification
18 activities under Title 22, chapter 1071; services provided for disabled individuals between
19 21 and 64 years of age with incomes below 139% of the federal poverty level; services
20 provided to individuals awaiting a MaineCare program disability determination for whom
21 the applications are subsequently granted; services provided to individuals who would
22 have been considered eligible on the basis of a disability but for whom the full
23 determination process was not completed; services provided under the State's breast and
24 cervical cancer treatment program; and other programs in which savings are achieved.
25 The report must include the amount of savings realized during fiscal year 2017-18 by
26 service area or program and the amount of savings projected to be achieved during the
27 remainder of that fiscal year and during the next fiscal year by service area or program.

28 **Sec. B-2. Reporting of revenue.** The Department of Administrative and
29 Financial Services, Maine Revenue Services shall report to the joint standing committee
30 of the Legislature having jurisdiction over appropriations and financial affairs no later
31 than April 30, 2017 and April 30, 2018 regarding any new revenues resulting from
32 coverage provided under the Maine Revised Statutes, Title 22, section 3174-G,
33 subsection 1, paragraph H.

34 **Sec. B-3. Evaluation by legislative offices.** By May 15, 2017 and May 15,
35 2018, the Office of Fiscal and Program Review, referred to in this section as "the fiscal
36 office," shall independently review reports required pursuant to sections 1 and 2 of this
37 Part and report to the joint standing committee of the Legislature having jurisdiction over
38 appropriations and financial affairs and the joint standing committee of the Legislature
39 having jurisdiction over government oversight matters on its determination of the savings
40 and new revenue, if any, that have been achieved as a result of implementation of the
41 Maine Revised Statutes, Title 22, section 3174-G, subsection 1, paragraph H. This report
42 must also include information about the amount of federal funds received by the State as
43 a result of coverage authorized under that paragraph.

44 After reviewing the information provided by the fiscal office, the joint standing
45 committee of the Legislature having jurisdiction over government oversight matters shall
46 determine if additional information is needed to determine the effectiveness of providing

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1 health coverage under Title 22, section 3174-G, subsection 1, paragraph H and may
 2 request further review by the Office of Program Evaluation and Government
 3 Accountability. If the joint standing committee of the Legislature having jurisdiction
 4 over government oversight matters makes a request to the Office of Program Evaluation
 5 and Government Accountability, the Office of Program Evaluation and Government
 6 Accountability shall conduct an independent, objective review of the report provided by
 7 the fiscal office and of the information provided to the fiscal office by state agencies.
 8 The Office of Program Evaluation and Government Accountability may request
 9 additional information from any state agencies as appropriate to evaluate the
 10 effectiveness of providing health coverage under Title 22, section 3174-G, subsection 1,
 11 paragraph H. In its review, the Office of Program Evaluation and Government
 12 Accountability shall take into consideration revenues generated as a result of providing
 13 health coverage under Title 22, section 3174-G, subsection 1, paragraph H, savings to
 14 state-funded programs including Maine's criminal justice programs, savings to the
 15 counties from health care costs associated with the operation of the county jails and
 16 regional jails, savings in reimbursement to cities and towns for general assistance
 17 provided under Title 22, chapter 1161 and other factors including: the effectiveness of
 18 coverage in reducing uncompensated care provided by hospitals and federally qualified
 19 health centers; the reduction in the State's rate of uninsured persons; and increased access
 20 to preventive care and treatment services that help to reduce cancer risks and chronic
 21 disease, substance use disorder and mental health disorders, obesity and heart disease. If
 22 the Office of Program Evaluation and Government Accountability conducts a review
 23 pursuant to this section, the report must be completed by June 30, 2018.

24 **Sec. B-4. Appropriations and allocations.** The following appropriations and
 25 allocations are made.

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

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

31	GENERAL FUND	2015-16	2016-17
32	Unallocated	\$0	(\$13,000,000)
33			
34	GENERAL FUND TOTAL	\$0	(\$13,000,000)
35			

36 **SUMMARY**

37 This amendment is the majority report of the committee and replaces the bill, which
 38 is a concept draft. It authorizes the State to accept federal funds to provide health
 39 insurance coverage to adults with incomes equal to or below 133% plus 5% of the
 40 nonfarm income official federal poverty line. Individuals with incomes equal to or below
 41 100% of the nonfarm income official poverty line receive coverage through the
 42 MaineCare program. Individuals with income levels over 100% of the federal poverty

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1 line and up to 138% of the federal poverty line would receive coverage through private
2 health insurance plans, through premium assistance at the same level that would be
3 provided through advanced premium tax credits. Individuals within this group defined as
4 "medically frail" in accordance with 42 Code of Federal Regulations, Section 440.315(f)
5 are exempt from mandatory enrollment in a private individual or group qualified health
6 plan.

7 The amendment requires MaineCare members with incomes over 100% and equal to
8 or below 138% of the federal poverty line who are receiving private health coverage
9 through a private individual or group qualified health plan to pay premiums and cost
10 sharing up to a maximum of 5% of the household's income. The amendment provides for
11 termination of coverage for nonpayment of premium without good cause. Good cause
12 must be defined by rules adopted by the Department of Health and Human Services.

13 The amendment authorizes the Department of Health and Human Services to contract
14 with health insurance plans to provide coverage in order to maximize savings and to
15 ensure access to and quality of services.

16 The amendment repeals the expanded coverage if the enhanced federal medical
17 assistance percentage is reduced below that specified in the federal law or if expanded
18 coverage is not reauthorized by the Legislature by June 30, 2019.

19 The amendment requires the Department of Health and Human Services to prepare
20 and submit to the Federal Government any state plan amendments and federal waivers by
21 January 1, 2017 necessary to implement the program.

22 The amendment authorizes the Department of Health and Human Services to apply
23 for and accept private foundation grants to be used to cover the cost of preparing and
24 submitting any waivers and state plan amendments to the Federal Government required as
25 a result of expanding coverage. It requires the department to develop mechanisms to
26 create a seamless system for determining eligibility for the MaineCare program and for
27 premium assistance for those who are already enrolled in a group or individual qualified
28 health plan, using the federally facilitated marketplace to determine eligibility for the
29 MaineCare program and for individuals in a private individual or group qualified health
30 plan if it is determined to be more efficient. The amendment also requires the
31 department, after consultation with a stakeholder group, to file a waiver to test a full
32 continuum of substance use disorder treatment that will, among other things, authorize
33 Medicaid coverage for services provided in inpatient and short-term residential facilities.

34 The amendment requires monthly reporting to the committees of jurisdiction on the
35 status of waiver submission until the disposition of such a waiver is determined, and on
36 the status of implementation of the Maine Revised Statutes, Title 22, section 3174-G,
37 subsection 1, paragraph H no later than June 1, 2017 and by April 30, 2017, April 30,
38 2018 and April 30, 2019 on savings generated for state-funded programs as a result of
39 implementation. It requires the Department of Administrative and Financial Services,
40 Maine Revenue Services to report by April 30, 2017 and April 30, 2018 on revenues
41 generated as a result of expanded coverage. It requires that savings and revenues be
42 verified by the Office of Fiscal and Program Review by May 15, 2017 and May 15, 2018.
43 It transfers any savings to the MaineCare Stabilization Fund prior to the next fiscal year.
44 It requires the Office of Fiscal and Program Review to report its findings to the joint
45 standing committee of the Legislature having jurisdiction over appropriations and

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COMMITTEE AMENDMENT "A" to S.P. 226, L.D. 633

1 financial affairs and to the joint standing committee of the Legislature having jurisdiction
2 over government oversight matters and authorizes the latter committee to request further
3 review and reporting by the Office of Program Evaluation and Government
4 Accountability on the effectiveness of providing coverage through expanded MaineCare
5 coverage.

6
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FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



127th MAINE LEGISLATURE

LD 633

LR 1188(02)

An Act To Improve the Health of Maine Citizens and the Economy of Maine by Providing Affordable Market-based Coverage Options to Low-income Uninsured Citizens

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Health and Human Services

Fiscal Note Required: Yes

(5-487)

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$0	\$12,549,248	\$36,010,365	\$44,569,453
Appropriations/Allocations				
General Fund	\$0	\$12,549,248	\$36,010,365	\$44,569,453
Federal Expenditures Fund	\$0	\$222,859,155	\$469,552,481	\$469,882,438
Other Special Revenue Funds	\$0	\$4,563,610	\$6,084,810	\$6,084,810
Revenue				
Federal Expenditures Fund	\$0	\$222,859,155	\$469,552,481	\$492,882,438
Other Special Revenue Funds	\$0	\$4,563,610	\$6,084,810	\$6,084,810

Fiscal Detail and Notes

Part A of this bill 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 (FPL), with the 5% federal income adjustment for family size. Individuals with income equal to or below 100% FPL would receive coverage through MaineCare. Individuals with income over 100% FPL through 138% FPL would receive coverage through private health insurance plans, through premium assistance at the same level that would be provided through advanced premium tax credits. Part A also requires those with income over 100% and equal to or below 138% FPL who are receiving private health coverage through the Maine Private Health Insurance Protection Program to pay premiums and cost sharing up to a maximum of 5% of household income. Part A also allows for the termination of the program under two scenarios: 1) If the federal share for individuals eligible under this paragraph is reduced below the amounts specified in 42 United States Code, Section 1396d(y)(1) or 2) if expanded coverage is not reauthorized by the legislature by June 30, 2019. The Department of Health and Human Services (DHHS), after consultation with a stakeholder group, is required to file a waiver to test a full continuum of substance use disorder treatment. This part also authorizes the DHHS to apply for and accept private foundation grants to be used to cover the cost of preparing and submitting any waivers and state plan amendments to the federal government required as a result of expanding coverage. The DHHS will report monthly on the status of the waiver and will report no later than June 1, 2017 on the status of implementation of the program.

The bill includes a General Fund appropriation of \$1,933,957 in fiscal year 2016-2017 to the Office of Family Independence - District program in the DHHS for the State share of the costs of 103 new positions to administer the eligibility expansion. Funding for the new positions reflects a 75% federal match for the 79 Eligibility Specialist positions and a 50% federal match for 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 DHHS has identified for the Eligibility Specialist positions. Although this bill allows for the DHHS to utilize the federally facilitated marketplace for eligibility determinations, this estimate assumes that will not occur in the current or next biennium.

The bill includes a General Fund appropriation of \$4,422,964 in fiscal year 2016-17 to the DHHS for medical costs for the newly eligible childless adult population at or below 100% of the federal poverty level and a Federal Expenditures Fund allocation of \$84,036,307 in fiscal year 2016-17, as shown below. The estimated costs assume 95% enhanced federal matching funds through December 31, 2017, 94% enhanced federal matching funds through December 31, 2018 and 93% enhanced federal matching funds through December 31, 2019 for the childless adult population with incomes less than 100% of the federal poverty level.

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Childless Adults @ or below 100% of FPL				
Estimated Population	27,937			
Est. Annual Cost Per Person	\$6,333	\$ 88,459,270	\$ 183,995,281	\$ 191,355,092
Assumed Federal Match		95.0%	94.5%	93.5%
Federal Share of Costs		\$ 84,036,307	\$ 173,875,541	\$ 178,917,011
State Share of Costs	\$ -	\$ 4,422,964	\$ 10,119,740	\$ 12,438,081

The bill includes a General Fund appropriation of \$4,525,464 in fiscal year 2016-17 to the DHHS for premium and coinsurance costs for the newly eligible childless adult population from 101% to 138% of FPL on the Private Health Insurance market and a Federal Expenditures Fund allocation of \$85,983,818 in fiscal year 2016-17, as shown below. The estimated costs assume 95% enhanced federal matching funds through December 31, 2017, 94% enhanced federal matching funds through December 31, 2018 and 93% enhanced federal matching funds through December 31, 2019 for the childless adult population with incomes from 101% to 138% of the federal poverty level.

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Childless Adults from 101% to 138% of FPL				
Estimated Population	31,557			
Est. Annual Cost Per Person	\$5,736	\$ 90,509,282	\$ 194,490,377	\$ 208,853,584
Assumed Federal Match		95.0%	94.5%	93.5%
Federal Share of Costs		\$ 85,983,818	\$ 183,793,406	\$ 195,278,101
State Share of Costs	\$ -	\$ 4,525,464	\$ 10,696,971	\$ 13,575,483

The bill also includes a General Fund appropriation of \$20,475,789 in fiscal year 2016-17 for the DHHS for premium and coinsurance costs for the parent population from 101% to 138% of the federal poverty level on the Private Health Insurance market, as shown below. The below table assumes 15,455 parents who lost coverage and an additional 4,565 parents who have not had MaineCare in the past, but will opt for this expansion coverage. Since this group was eligible under previous rules, they will not be considered newly eligible and the State will receive the regular Federal Medical Assistance Percentage (FMAP). The bill also includes a Federal Expenditures Fund allocation for the parents totaling \$36,943,699 in fiscal year 2016-17, as shown below, for the regular FMAP matching funds.

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Parents (Between 101 and 133% of the FPL)				
Estimated Population	20,020			
Est. Annual Cost Per Person	\$5,736	\$ 57,419,488	\$ 123,385,553	\$ 132,497,635
Assumed Federal Match		64.34%	64.34%	64.34%
Federal Share of Costs		\$ 36,943,699	\$ 79,386,265	\$ 85,248,978

State Share of Costs

\$ 20,475,789 \$ 43,999,288 \$ 47,248,657

The bill also includes a General Fund appropriation of \$193,711 in fiscal year 2016-17 for the DHHS for medical care for the children who have not had MaineCare in the past, but whose family will opt for MaineCare coverage after expansion. Since these children were eligible under previous rules, they will not be considered newly eligible and the State will receive the enhanced Children's Health Insurance Program (CHIP) FMAP. The bill also includes Federal Expenditures Fund allocations for children totaling \$9,843,135 in fiscal year 2016-17, as shown below, for the enhanced CHIP FMAP matching funds.

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Crowd-out Children (Between 101 and 133% of the FPL)				
Estimated Population	4,565			
Est. Annual Cost Per Person	\$4,397	\$ 10,036,846	\$ 21,077,239	\$ 22,131,183
Assumed Federal Match		98.07%	98.07%	98.07%
Federal Share of Costs		\$ 9,843,135	\$ 20,670,448	\$ 21,704,051
State Share of Costs		\$ 193,711	\$ 406,791	\$ 427,132

The bill also includes deappropriations for the remaining funding in the MaineCare baseline for the costs of coverage for the parents population from 101% to 138% of the FPL. This group was covered through December 31, 2013, with the possibility of transitional coverage extending through December 31, 2014. The DHHS identified, as of May 2014, an annual General Fund total in the baseline for spending on this population of \$16,936,665. Of this amount, \$10,000,000 was deappropriated in PL 2013, c. 595 to fund Sections 21 and 29 waitlist members and to increase nursing facility reimbursement rates. Since there were no subsequent MaineCare appropriations or deappropriations affecting this population during the 126th Legislature or the 1st Regular Session of the 127th Legislature, continued funding for this population is included in the 2016-2017 MaineCare biennial budget baseline. This bill deappropriates the remaining \$6,936,665 that is in the baseline.

Part B of the bill includes a General Fund deappropriation of \$13,000,000 in fiscal year 2016-17 in the Executive Branch Departments and Independent Agencies -Statewide program in the Department of Administrative and Financial Services for savings to be identified by the State Budget Officer in existing programs as a result of the expansion of eligibility. Part B also requires Maine Revenue Services to report by April 30, 2017 and April 30, 2018 regarding revenues generated as a result of expanded coverage. It requires that savings and revenues be verified by the Office of Fiscal and Program Review by March 15, 2017 and May 15, 2018. It also requires the Office of Fiscal and Program Review to report its findings to the joint standing committee having jurisdiction over appropriations and financial affairs and to the joint standing committee having jurisdiction over government oversight and authorizes the latter committee to request further review and reporting by the Office of Program Evaluation and Government Accountability on the effectiveness of providing coverage through expanded MaineCare coverage. The specific programs and amount of savings that will be realized and distributed to each program cannot be determined at this time. As a benchmark, a review was done of a report on potential savings created by an outside consulting group familiar with Medicaid expansions. While that group's overall savings identified appear to be on the high side, the review does support a reasonable expectation of greater than \$20,000,000 million in savings annually with the full implementation of the expansion.

Additional costs for the Legislature's Office of Fiscal and Program Review can be absorbed within existing budgeted resources. Additional costs for the Legislature's Office of Program Evaluation and Government Accountability to conduct a review can be absorbed within existing budgeted resources but may affect the resources available to perform other assigned reviews.