

MAINE STATE LEGISLATURE

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FINAL REPORT
of the
JOINT STANDING COMMITTEE ON
APPROPRIATIONS AND FINANCIAL AFFAIRS

A STUDY OF THE METHODS
BY WHICH FUNDS APPROPRIATED OR ALLOCATED
TO THE DEPARTMENT OF HUMAN SERVICES AND
THE DEPARTMENT OF MENTAL HEALTH AND MENTAL
RETARDATION FOR PURCHASING COMMUNITY
SERVICES ARE DISTRIBUTED

FEBRUARY 1989

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INTRODUCTION

The 113th Legislature, during its Second Regular Session, enacted Public Laws of 1987, chapter 816, the "Supplemental Budget". Part KK, section 29 of this law authorized the Joint Standing Committee on Appropriations and Financial Affairs to "...conduct a study of the methods by which funds appropriated or allocated by the Legislature to the Department of Human Services (DHS) and the Department of Mental Health and Mental Retardation (DMHMR) for purchasing community services are distributed."

Part KK, section 28 of P.L. 1987, chapter 816 directed DHS and DMHMR to examine their methods of distributing funds to community providers in the various regions of the state. Each department was directed to examine their existing distribution formulas or methods and to develop alternative formulas or methods that most accurately reflected the distribution of need throughout the state. Each department was directed to work closely with the Appropriations Subcommittee authorized in section 29 and to submit a report to that subcommittee by December 1, 1988 on the results of their study. Appendix A provides a copy of the authorizing legislation for the study by the Appropriations Committee and for the study by the two departments.

METHOD

The Joint Standing Committee on Appropriations and Financial Affairs organized a five-member subcommittee to conduct the study. The subcommittee was comprised of the following committee members:

Sen. Georgette B. Berube, Subcommittee Chair
Rep. Lorraine C. Chonko
Rep. Judith C. Foss
Rep. John Lisnik
Rep. Patrick K. McGowan

The objectives of the subcommittee were established in P.L. 1987, c. 816 and are presented below:

- To review the types of services, by department and category (ie, "service area"), that are purchased by the State and the funding levels involved;
- To review the formulas or methods that are currently used to distribute these funds, including an examination of how these formulas or methods were established; and
- To review alternative proposals for distributing these funds that would ensure an equitable distribution among all geographic areas of the state.

The subcommittee held five public meetings during the summer and fall of 1988. Each meeting was attended by representatives of the Department of Human Services and the Department of Mental Health and Mental Retardation as well as representatives of various community provider groups and members of the general public.

With the exception of the first meeting, which allowed the subcommittee to organize and request data from the departments, each of the other meetings focused on reviewing information from the departments. The subcommittee was then able to better understand the process by which community services are purchased, the equity with which the funds are distributed and improvements that are needed in the system. The information reviewed at each meeting is summarized below:

- 7/88 • Definition of Statewide Regions for DHS and DMHMR (See Appendix B);
 - A listing of all FY 89 funding for purchased community services by department, bureau or office within that department, departmental region, and service area; and
 - A narrative description of the distribution formula or method used for each service area.
- 8/88 • Analysis of geographic equity with which funds are distributed in the various service areas (i.e., FY 89 allocations for each service area, by region versus regional population).
- 10/88 • Additional information from DMHMR showing Medicaid and non-Medicaid dollars for FY 89 allocations, by region and service area.
- 12/88 • Estimate of additional funding needed to eliminate any existing inequities in the current funding distribution (i.e., funding needed to "equalize" regional distributions);

- Needs assessment of services by region and the projected amount of additional funding needed for unmet service needs (NOTE: Each department's needs assessment included an estimate of additional funding needed but could not segregate sources of funding - state, federal, private, etc.); and
- Departmental reports examining the methods by which funds for community services are distributed.

A series of informal public meetings were held in January 1989 to review the data in its entirety and develop recommendations for this report.

The subcommittee received valuable input and assistance from the Commissioners, Bureau Directors, Office Directors, and staff of the Department of Human Services and the Department of Mental Health and Mental Retardation. Special thanks to Mr. Peter Walsh, Director of DHS' Bureau of Social Services and Mr. Ronald Martel, DMHMR's Associate Commissioner for Administrative Services for coordinating the data requests from the subcommittee.

OVERVIEW

Each year Maine state government "purchases" services from community providers. These services can be as varied as adult residential programs for the mentally retarded, substance abuse treatment services or day care services. The community providers are predominantly non-profit agencies organized to meet a service void in the community. However, the state also purchases community services from schools, post-secondary institutions, hospitals and private consultants. Contracts with state government may provide the major source of the community provider's budget or it may be but a small percentage.

State departments and agencies purchase services from community providers because they can provide the specific service the state requires and can usually deliver the service at a cost-effective rate. Oftentimes, the community provider is providing a service where private sector services are not available or accessible to some segment of Maine's population.

In state fiscal year 1989, DHS and DMHMR will purchase over \$106 million of community services. Table 1 provides a summary of FY 89 allocations for community services by department and bureau. Appendix C provides a more detailed summary showing the FY 89 allocations to each service area.

Table 1. FY 89 Allocations by Department and Bureau

FY 89

Department of Human Services

• Office of Alcoholism & Drug Abuse Prevention	\$ 6,499,700	
• Bureau of Maine's Elderly	13,361,559	
• Bureau of Health	12,230,110	
• Bureau of Income Maintenance	5,660,640	
• Bureau of Rehabilitation	9,081,608	
• Bureau of Social Services	<u>12,539,301</u>	
Subtotal		\$ 59,372,918

Department of Mental Health and Mental Retardation

• Bureau of Mental Retardation	\$ 23,748,111	
• Bureau of Children with Special Needs	6,402,541	
• Bureau of Mental Health	<u>16,984,032</u>	
Subtotal		<u>\$ 47,134,684</u>
		\$106,507,602

The Appropriations Committee hears many bills that request funding for specific community services and, often, for specific regions within a type of community service. Each session the Committee reviews the Governor's budget proposals as well as proposals sponsored by legislators for purchasing various community services. In recent years, as the dollar value of services purchased for community services continued to increase in a significant fashion and as the Committee was faced with an increasing number of funding requests for additional community services, it became apparent that additional information was

needed concerning the process by which a department contracts for services. More specifically, the Committee heard evidence, some factual and some anecdotal, that funds were not always distributed among the state's regions in an equitable manner.

This study was requested, and subsequently funded by the Legislature, so that the Appropriations Committee could learn more about how the two departments with the largest budgets for community services purchase those services, determine the regional equity with which funds are distributed and recommend improvements in the funding process.

HOW COMMUNITY SERVICES ARE PURCHASED

The process by which the Department of Human Services and the Department of Mental Health and Mental Retardation purchase \$106 million worth of community services varies tremendously by service area. For example, the bulk of services in DMHMR's Bureau of Mental Retardation are purchased on a "units of service" and "billing for services rendered" basis. Support services for AFDC clients, funded via DHS' Bureau of Income Maintenance, are purchased based on a formula: the percentage of AFDC clients per region.

Table 2 provides a summary of the distribution and contract payment methods used by DHS and DMHMR to purchase community services. Each method allows the department involved to enter into a contractual relationship with the community provider which defines the services to be provided and the responsibilities of each party.

Table 2. Community Services Distribution and Payment Methods

<u>TYPE</u>	<u>EXPLANATION</u>	<u>EXAMPLE</u>
Billing for Services Rendered	A form of contract whereby the state agrees to reimburse, within acknowledged parameters, a community provider for actual services provided to a client or client group.	Transportation for the Mentally Retarded (BMR)

Table 2. (Continued)

<u>TYPE</u>	<u>EXPLANATION</u>	<u>EXAMPLE</u>
Contract Negotiations	The state negotiates with a community provider or group of community providers for the funding to be received and the services expected.	Family Crisis Services (DHS)
Formula-Driven	A distribution method established by the department or mandated by the federal government determines where services should be purchased. Some form of contract is then agreed upon.	Day Care (DHS) Nutrition Services for the Elderly (DHS)
Grants	A form of contract whereby lump-sum is given to provider for a service.	Consultation, Education & Training (DMHMR)
Historical	A distribution method whereby state renews prior year contract; See Contract Negotiation, Grants.	Homemaker Services (DHS)
Regional/Statewide Needs	Funds are distributed based on regional or statewide needs and availability of regional or statewide providers.	Legal Services (DHS)
Requests for Proposals (RFP)	State advertises to meet service need; most often used to identify providers for "new" funding.	Local Action Councils (DHS)
Units of Service	A form of contract whereby state establishes a cost per unit based on historical costs and fund availability; provider receives funding based on number of units to be delivered.	Adult Residential (DMHMR)

FINDINGS

Equity of Distribution

The subcommittee finds that most community service funding is distributed on an equitable basis. That is, the processes used by the departments are fair. The subcommittee perceives three important factors in delineating an equitable system of funding community services:

- First, the existence of a workable service planning and evaluation technique that can determine the distribution of need in a given service area. Each department has some capability in this area but needs to make planning and evaluation of service provision the tool that drives fund distribution;
- Second, the use of the request-for-proposal (RFP) process has allowed the departments to provide maximum access to any and all interested regions and providers; and
- Third, the establishment and use, where applicable, of formulas that accurately reflect the distribution of need and can demonstrate how funds may have to be redistributed.

Some regions, in some service areas, appear to be receiving less than their fair share when compared to the other regions. With few exceptions, each department could explain apparent inequities as due to:

- available private resources or non-state resources in a region alleviating the need for state dollars (e.g., Mental Health Outpatient Services (DMHMR); Day Treatment/Rehabilitation (DMHMR); Mental Health Emergency Services (DMHMR));
- unavailability of community providers (e.g., Mental Health Vocational Services (DMHMR); Mental Health Residential Services (DHS); and
- funds are not provided regionally because services are available on a statewide basis (e.g., Services to the Blind (DHS); Services to the Deaf (DHS); Respite Care (DMHMR).

Historical Funding

The subcommittee finds that regional inequities can arise most frequently when the department renews a contract with one provider of a service without evaluating whether the highest need is being met. Examples of services purchased based on historical patterns would include Outpatient Services and Consultation, Education & Training in DMHMR's Bureau of Children with Special Needs. The subcommittee supports carefully scrutinizing funding requests that are based solely on historical funding levels. As one alternative, the subcommittee supports "level funding" a community provider when the state contract is being renewed if the department can then target remaining, available dollars to other areas of the state demonstrating a need.

Annual Reports

The subcommittee finds that the Joint Standing Committee on Appropriations and Financial Affairs needs information on the community services purchased by DHS and DMHMR on an annual basis. This information will facilitate the committee's discussion of funding requests. The subcommittee finds that the following data will be needed:

- Most recent year's allocations (all funds), by department, bureau or office, service area and region (and county, if available);
- The department's evaluation, by individual service area, of the additional funding needed to "equalize" funding among all regions;
- The department's assessment, by individual service area, of the outstanding needs of the state; Assessment will have to include funding source projected by the department to be available for the expansion of services; and
- Recommendations for changes in funding resulting from each department's planning and evaluation systems.

Performance Contracting

The subcommittee finds that each department can develop standards for service provision that can enhance the contract process. Each department's objective should be to incorporate standards into each contract with a community provider which can assist the department in evaluating the performance of the provider on an annual basis.

RECOMMENDATIONS

Legislative

1. Amend Title 22, Section 3 and Title 34-B, Section 1208 of the Maine Revised Statutes to include the following in an annual report to the Legislature:
 - Most recent year's allocations (all funds), by department, bureau or office, service area and region (and county, if available);
 - The department's evaluation, by individual service area, of the additional funding needed to "equalize" funding among all regions presented in prioritized order;
 - The department's assessment, by individual service area, of the outstanding needs of the state; Assessment will have to include funding source projected by the department to be available for the expansion of service presented in prioritized order; and
 - Recommendations for changes in funding resulting from each department's planning and evaluation systems presented in prioritized order.

Criteria for prioritization should focus on (in order of importance):

- Greatest service need within existing funding scheme (as determined by the department's planning and evaluation system);
- Equalization of regional funding within each service area; and
- New or outstanding needs.

Administrative

1. The Joint Standing Committee on Appropriations and Financial Affairs should adopt a policy to guide the Committee when additional funding is being requested for community services.

The policy should establish the annual reports from the departments, referred to above, as the basis for considering additional funding requests. In recommending funding to the Legislature, the Committee should ensure that all regions of the state will have equal access, via an RFP process, to securing a contract for the new or expanded service. If a pilot project is being established, the Committee should require the department receiving the funding to report back to the Committee with its recommendation for statewide funding.

2. The subcommittee recommends that the Department of Human Services develop an equitable allocation formula for the following service areas:

- Substance Abuse Treatment
- Adolescent/Young Adult Services
- Dental Health Services
- Local Action Councils
- Social Services for the Elderly
- Homemaker Services
- Rape Crisis Services

It is further recommended that for those service areas where it is recognized that funds are not equitably distributed on a regional basis, each department will adjust funding in the next funding cycle or as new funds become available so as to "equalize" funding among regions.

3. The subcommittee recommends that each department continue to develop service standards and incorporate these standards into the terms of each contract agreement. The standards should include specific performance measurements that can guide the service provider toward the desired objective and can enhance each department's ability to regularly monitor contract compliance.

APPENDIX A
AUTHORIZING LEGISLATION

Sec. 28. Department of Human Services and the Department of Mental Health and Mental Retardation; study. The Department of Human Services and the Department of Mental Health and Mental Retardation shall examine the methods by which funds appropriated or allocated to their respective departments for purchasing services are distributed to community providers in the various regions of the State. Each department shall examine the existing distribution formulas or methods for all purchased services and develop allocation formulas or methods that most accurately reflect the distribution of need throughout the State. Each department shall work closely with the subcommittee of the Joint Standing Committee on Appropriations and Financial Affairs established in section 29. The department shall report the results of its study, including a detailed plan for the implementation of any revised allocation formulas or methods, to the subcommittee established in this section, no later than December 1, 1988.

Sec. 29. Joint Standing Committee on Appropriations and Financial Affairs; study. The Joint Standing Committee on Appropriations and Financial Affairs shall conduct a study of the methods by which funds appropriated or allocated by the Legislature to the Department of Human Services and the Department of Mental Health and Mental Retardation for purchasing community services are distributed. This study shall include an examination of the formulas or methods by which funds are currently distributed and an assessment of the equity of such formulas or methods. With assistance from the departments, the study shall review:

1. The types of services, by category and department, that are purchased by the State and the funding levels involved;

2. The formulas or methods that are currently used to distribute these funds, including an examination of how these formulas or methods were established; and

3. Alternative proposals for distributing these funds that would ensure an equitable distribution among all geographic areas of the State.

The committee shall organize a subcommittee to investigate these issues.

The committee members shall receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2. Members shall be reimbursed for expenses upon application to the Executive Director of the Legislative Council.

The committee shall issue a report, together with any proposed legislation, to the First Regular Session of the 114th Legislature by February 1, 1989.

APPENDIX B
PURCHASED COMMUNITY
REGIONS

PURCHASED COMMUNITY SERVICES REGIONS

	<u>DHS</u>	<u>DMHMR</u>
Region 1	Cumberland York	Aroostook
Region 2	Franklin Oxford Androscoggin	Piscataquis Penobscot Hancock Washington
Region 3	Somerset Kennebec Waldo Knox Lincoln Sagadahoc	Somerset Kennebec
Region 4	Piscataquis Penobscot Hancock Washington	Franklin Oxford Androscoggin
Region 5	Aroostook	Cumberland York
Region 6	---	Waldo Knox Lincoln Sagadahoc

APPENDIX C
ALLOCATIONS BY
DEPARTMENT, BUREAU,
AND SERVICE AREA

PURCHASED COMMUNITY SERVICES SUBCOMMITTEE
DEPARTMENT OF HUMAN SERVICES

ALLOCATIONS BY SERVICE AREA

Dept./Service Area	FY 89 \$	Method of Fund Distribution	Explanation of Inequities
1. Office of Alcoholism & Drug Abuse Prevention			
a. Substance Abuse Treatment	5,610,050	Historical/Need	N/A
b. Substance Abuse Prevention	889,650	Availability/Population	Portion of Funds on Pilot Projects by RFP
Sub-total	6,499,700		
2. Bureau of Maine's Elderly			
a. Nutrition	3,010,516	10% Aroos./% of Need Pop. Over 60	N/A
b. Social Services	1,760,591	" " " " " " " "	N/A
c. In-Home Services	7,218,967	Proportion of Adults W/LTC.Needs	
d. Congregate Housing Services	301,000	RFP/Underfunded Areas	Demo Projects
e. Case Management	100,000	Elderly at Risk	N/A
f. Planning & Coordination	300,000	Equal Distribution	N/A
g. Volunteer Services	59,994	" "	N/A
h. Subsidized Employment	357,491	No. of Pos./Aged Pop.	N/A
i. Legal Services	153,000	Statewide	N/A
j. Adult Day Care in Nursing Homes	100,000	Demo. Grants/RFP	Original Demo.Grant
Sub-total	13,361,559		
3. Bureau of Health			
a. Adolescent/Young Adult (Preg.)	1,859,361	Various methods	RFP's; Historical
b. Local Action Council	104,736	RFP, Need	RFP's, Need, Leg.
c. Genetics	309,898	Statewide Program	N/A
d. Handicapped Children's Program	297,952	Various Methods	New Program in Region V
e. Prevention Nursing	989,058	RFP - NonPH Services	State Provides some Serv.
f. WIC	8,183,096	Fed. Criteria/Historical	
g. Well Child Clinic (Public Health Nursing)	10,000	3 Agencies only	
h. Dental Clinics	64,000	Legislation	Demo.Project; Leg.
i. Dental Schools	118,252	RFP, Needs	RFP
j. Community High Blood Pressure	150,064	Statewide, Competitive Review	Region IV has own prog.
k. AIDS	77,000	Statewide Program	?
l. Sexually Transmitted Diseases	66,693	Statewide, Need	N/A
Sub-total	12,230,110		
4. Bureau of Income Maintenance			
a. Case Management	814,000	AFDC Caseload	None At This Time
b. Education & Training	3,714,988	% AFDC Recipients	" " " "
c. Support Services			
-AFDC	513,747	Mandatory AFDC Recipients	" " " "
-Food Stamps	79,160	% F.S. Recipients	" " " "
d. Transitional Services	148,800	Mandatory AFDC Recipients	" " " "
e. Family Services	389,945	# of Teen AFDC Parents Plus # Ratio of Direct Staff	" " " "
Sub-total	5,660,640		

<u>Dept./Service Area</u>	<u>FY 89 \$</u>	<u>Method of Fund Distribution</u>	<u>Explanation of Inequities</u>
5. Bureau of Rehabilitation¹⁾			
a. Home Based Care/Personal Care Assistance	1,911,566	Client Need; first come first serve	First Come, First Serve
b. Independent Living Rehabilitation	372,850	Service Need, Available Funds	Consumer Directed
c. Vocational Evaluation & Adjustment Training	2,736,767	Contract Neg./Service Need	Lack of Providers in Reg.V
d. Residential Services (Mental Health)	127,587	Contract Neg./Need	Only Two Providers
e. Services to the Blind	1,572,815	Contract Neg./Need	ME Center for Blind
f. Employment Services	1,382,292	General Population	Lack of Reg.5 Provider
g. Alcoholism & Drug Abuse Services	224,200	Contract Neg./Need	Not Feasible for All Areas
h. Services to the Deaf	583,531	" " "	Statewide Services
l. Services to Individuals with Head Injuries	170,000	" " "	One Demo. Program
Sub-total	<u>9,081,608</u>		
6. Bureau of Social Services			
a. AIDS	140,000	3 Statewide Regions	One Demo. Program
b. Day Care	4,339,195	Formula	Historic
c. Family Crisis	1,125,000	Negotiated	Alloc. on % of Incidents
d. Family Planning	See B.H.	-	-
e. Homemaker	2,304,115	Historic	Ability to Match
f. Nutrition	See Bur. of Elderly	-	-
g. Rape Crisis	211,350	Negotiated	Volume of Hot Line Calls
h. Substance Abuse	See ODAP	-	-
i. Support Services			
- Blind Services	53,760	Statewide	-
- Child Abuse & Neglect Councils	272,115	Negotiated	Consensus
- Contingency/Accounts	See Family Serv.		
- Deaf Services	37,525	Statewide	
- Home-based Services	MH/MR		
- Mental Health	1,030,500	Needs, XIX Clients	Service Availability
- Mental Retardation	110,650	Historic	" "
- Residential	917,586	Statewide	-
- SCAN Teams	130,000	RFP	Service Availability
- Special Needs	179,755	Regional Needs	" "
j. Teen Health	300,000	Teen Pregnant Rates	-
k. Transportation	1,218,885	Historic-Ability to Match	Historic
l. Victim Witness Advocate	168,865	RFP, Match	
Sub-total	<u>12,539,301</u>		
DEPARTMENT TOTAL	59,372,918		

¹⁾Includes some case services funds.

PURCHASED COMMUNITY SERVICES SUBCOMMITTEE
DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
ALLOCATIONS BY SERVICE AREA

Department/Service Area	FY 89 \$	Method of Fund Distribution	Explanation of Inequities *	
1. Bureau of Mental Retardation				
a. Adult Day Programs	12,010,964	1) Units of services based on historical costs and funds available (for majority).	a. Program not needed by those employed.	
b. Adult Residential	9,090,893		b. Waiver based homes more expensive.	
c. Child Residential	62,900	2) Billing for services rendered basis (for balance of contracts).	c. No explanation provided.	
d. Transportation	663,150		d. Fund program 3 different ways.	
e. Professional Services	484,886		e. State positions vs. no state positions	
f. Transitional Services	333,135		f. Should look at supported employment & transitional in totality.	
g. Respite	517,634		g. Region 2 Center utilized by other regions; Region 5 more clients living at home.	
h. Residential Treatment	162,305		h. Reflects region of origin of individuals receiving services.	
i. Supported Employment	422,244		i. Look at transitional and supported services together.	
Sub-Total	23,748,111			
2. Bureau of Children with Spec. Needs				
a. Children's Day Treatment	540,445		Units of service (primarily Community MH Centers and residential treatment centers).	a. Some agencies within regions cannot bill Medicaid for services. Region 2 day treatment program in Hancock Cty. Providers locate in large population centers, sometimes go outside particular region in which they are located.
b. Outpatient Services	1,236,209	b. No providers in Somerset Cty; many in Cumberland. Also services are being delivered in private sector.		
c. Homebased Services	1,027,736	Continued service need and program quality (basis for continuation of grants and contracts from year to year).	c. Regions 2 & 6 each have 2 homebased service programs because they cover large geographic areas; Region 2 has 3 teams, most others only 2 teams; Region 5 - BCSN small share of funding.	
d. Consultation, Education & Training	217,941		d. Community MH Centers in Regions 2, 5, & 6 use BCSN funds to supplement school related CE&T.	
e. Sexual Abuse Treatment	257,422		e. No explanation provided.	
f. Children's Residential	1,651,482		f. Spurwink located in Region 5 serves children from all regions.	
g. Respite Care/Family Support	100,000		g. RFP's targeted to specific area throughout the state.	
h. Transportation	7,000		h. Region I and V receive funds.	
i. Early Intervention	930,432		i. Lack of services in Region 3; Region 4, two large contracts.	
j. Other/Professional Services	175,315		j. Lack of particular type of service provider; reflects programs which don't fit in other service areas.	
k. Homeless Services	206,492		k. Federal demonstration grants for regions with highest numbers of homeless youth; Portland draws young statewide.	
l. Children Community Support	52,067			
Sub-total	6,402,541			
3. Bureau of Mental Health				
a. Emergency Services	1,741,791	Units of service, unit cost, efficiency and other factors compared to historical figures and monitoring documents for current contracts.	a. Some programs operate without BMH funds.	
b. Community Support	7,943,286		b. Large cities attract greater number of BMH clients from other regions.	
c. Day Treatment/Rehabilitation	1,012,674		c. Services provided by Community MH Centers without BMH funding.	
d. Social Clubs	407,942		d. Reg.6 does not have social club; number of clubs in other regions vary.	
e. Residential	2,140,230		e. Some Regions slow in getting into residential services.	
f. Outpatient	2,536,537		f. Regions 3 and 5 - availability of private practitioners.	
g. Consultation/Education	90,047		g. No explanation provided.	
h. Vocational	212,139		h. Region 3 - AMHI located; Region 6, lack of qualified providers.	
i. Inpatient	168,308		i. 3 of 6 regions no BMH funding, although programs operate.	
j. Case Management	378,591		j. No explanation provided.	
k. Family/Peer Support	28,340	k. No explanation provided.		
l. Deaf Services	43,599	l. No explanation provided.		
m. Elderly Services	280,548	l. No explanation provided.		
Sub-total	16,984,032	Statewide/Multi	m. No explanation provided.	
DEPARTMENT TOTAL				
	47,134,684			

* Many times has to do with: (a) number of private practitioners in the region and (b) single region may serve clients from several regions.

APPENDIX D
PROPOSED LEGISLATION

PURSUANT TO PL 1987, C. 816, PART KK, SECTION 29

AN ACT TO IMPROVE THE ACCOUNTABILITY AND ALLOCATION
OF FUNDS FOR COMMUNITY PURCHASED SERVICES

Sec. 1. 22 MRSA §3, second ¶, as enacted by PL 1987 c.349, §12, is repealed and the following enacted in its place:

The Department of Human Services shall prepare an annual report on all services contracted with community providers. The department shall deliver its report to the joint committee of the Legislature having jurisdiction over appropriations and financial affairs by January 31st of each year. The report shall include:

A. A listing, by community agency, of all funds received from the state and a summary of the purposes for which those funds were expended;

B. A summary of the most recent year's allocations of all funds by bureau or office, service area, region, and, if available, county;

C. An evaluation of additional funding needed to equalize funding among all regions by individual service areas, presented in prioritized order;

D. The department's assessment, by individual service area, of the outstanding service needs of the state. The assessment shall identify the funding source projected by the department to be available for the expansion of service, presented in prioritized order;

E. Recommendations for changes in funding resulting from the department's planning and evaluation system presented in the following priority order: greatest service need within existing funding scheme, equalization of regional funding with each service area, and new or outstanding needs.

Sec. 2. 34-B MRSA §1208, sub-§5 as enacted by PL 1987, c.349 § H, 19, is repealed and the following is enacted in its place:

5. The Department of Mental Health and Mental Retardation shall prepare an annual report on all services contracted with community providers. The department shall deliver its report to the joint committee of the Legislature having jurisdiction over appropriations and financial affairs by January 31st of each year. The report shall include:

A. A listing, by community agency, of all funds received from the state and a summary of the purposes for which those funds were expended;

B. A summary of the most recent year's allocations of all funds by bureau or office, service area, region, and, if available, county;

C. An evaluation of additional funding needed to equalize funding among all regions by individual service areas, presented in prioritized order;

D. The department's assessment, by individual service area, of the outstanding service needs of the state. The assessment shall identify the funding source projected by the department to be available for the expansion of service, presented in prioritized order;

E. Recommendations for changes in funding resulting from the department's planning and evaluation system presented in the following priority order: greatest service need within existing funding scheme, equalization of regional funding with each service area, and new or outstanding needs.

STATEMENT OF FACT

This bill comprises the legislative recommendations of a study conducted by a subcommittee of the Joint Committee on Appropriations and Financial Affairs as authorized in Public Laws of 1987, c. 816. The study reviewed the methods by which funds appropriated or allocated by the Legislature to the Department of Human Services and the Department of Mental Health and Mental Retardation for providing community services are distributed.

Both departments currently prepare an annual report on funds contracted for community based services. This bill requires the department to include additional information regarding the distribution of funds by region and service area, an evaluation of the additional funding needed to remedy geographical inequities in the current funding scheme, an assessment of outstanding service needs for community services, and recommendations for changes in funding.