

**Testimony of
Commissioner Jeanne M. Lambrew, Ph.D.
Department of Health and Human Services**

**Before the Joint Standing Committee on Appropriations and Financial Affairs and
The Joint Standing Committee on Health and Human Services**

**LD 1001 “An Act Making Unified Appropriations and Allocations for the Expenditures of
State Government, General Fund and Other Funds, and Changing Certain Provisions of
the Law Necessary to the Proper Operations of State Government for the Fiscal Years
Ending June 30, 2020 and June 30, 2021”**

Hearing Date: March 6, 2019

Good afternoon Senator Breen, Representative Gattine, Senator Gratwick, Representative Hymanson, Members of the Joint Standing Committee on Appropriations and Financial Affairs and Members of the Joint Standing Committee on Health and Human Services; I am Jeanne Lambrew, Commissioner of the Department of Health and Human Services (DHHS). I am here today to speak in support of LD 1001, the Governor’s Biennial Budget proposal for State fiscal years 2020 and 2021.

On Monday, I provided an overview of the Governor’s Budget and her health and human services priorities. Subsequently, I have testified on initiatives across the Department. In this, my final testimony, I will describe initiatives related to public assistance, elder services, and dually eligible individuals.

Public Assistance

I will begin on page A-232 in the Additional Support for People in Retraining and Employment program. This program funds employment and training programs for people receiving Temporary Assistance for Needy Families.

CA1813 The first initiative within this program, on page A-232, aligns the budget with the current cost allocation in the Office for Family Independence program. It transfers and reallocates one Senior Planner position from 100% Additional Support for People in Retraining and Employment program, Federal Block Grant Fund to 50% General Fund and 50% Other Special Revenue Funds. It also transfers and reallocates one Family Independence Program Manager position from 50% General Fund and 50% Other Special Revenue Funds to 100% Other Special Revenue Funds within the same program. Lastly, it reallocates one Family Independence Program Manager position from 50% Other Special Revenue Funds and 50% General Fund to 100% Other Special Revenue Funds within the same program. It also adjusts funding for related All Other costs. This initiative reduces the Federal Block Grant Funds - Personal Services allocation by \$86,200 in FY20 and \$92,884 in FY21 and increases Federal Block Grant Fund - All Other allocation by \$9,440 in FY20 and \$9,659 in FY21. This initiative is also found on page A-296.

CA1812 The next initiative within this program, on page A-232, eliminates one Customer Representative Associate II - Human Services position and reduces funding for related All Other costs. This position is no longer needed. This initiative reduces the Federal Block Grant Fund - Personal Services allocation by \$65,154 in FY20 and \$70,131 in FY21 and reduces the Federal Block Grant Fund - All Other allocation by \$8,748 in FY20 and \$8,912 in FY21.

The next program, on page A-252, is the Disability Determination – Division of program which provides a timely, accurate, and fair disability decision to Maine citizens filing under the Title II (coverage based) or Title XVI (low-income based) sections of the Social Security Act. There are no new initiatives for this program.

The next program, on page A-262, is the Food Supplement Administration program which administers the Supplemental Nutrition Assistance Program (SNAP), SNAP-Ed Program, and Food Supplement Employment and Training Program.

CA1808 The only initiative within this program, on page A-262, provides funding related to revenue from the collection of Federal Supplemental Nutrition Assistance Program overpayments. The State is able to retain 35% of this revenue if the overpayment was caused by an intentional program violation or 20% if the overpayment was caused by an inadvertent household error. This initiative establishes an Other Special Revenue Fund - All Other of \$725,000 in FY20 and \$725,000 in FY21.

The next program is the General Assistance – Reimbursement to Cities and Towns program, on page A-264, which provides assistance for basic necessities for those persons who do not have the income or resources to provide for themselves or their families. This program provides for a percent of General Assistance expenditures within each municipality and administers the General Assistance program in the unorganized territories. There are no new initiatives for this program.

The next program is the Office for Family Independence program, on page A-296, which assists individuals and families in achieving their maximum potential, independence, employability, safety and health.

CA1813 The initiative on page A-296 reflects the position transfer out of the Additional Support for People in Retraining and Employment program and was previously described on page A232. This initiative reduces the General Fund - Personal Services by \$56,793 in FY20 and \$57,147 in FY21 and reduces the General Fund - All Other by \$3,199 in FY20 and \$3,199 in FY21. This initiative also increases the allocation in the Other Special Revenue Funds - Personal Services by \$142,993 in FY20 and \$150,031 in FY21 and in Other Special Revenue Funds - All Other by \$14,610 in FY20 and \$14,835 in FY21.

CA1814 The next initiative within this program, on page A-296, streamlines Office for Family Independence operations from the Regional to the Central Office. It transfers and reallocates 4 Eligibility Specialist positions from 55% Other Special Revenue Funds and 45% General Fund in the Office for Family Independence - District program to 50% General Fund and 50% Other Special Revenue Funds in the Office for Family Independence program. It transfers and reallocates 2 Eligibility Specialist positions from 45% General Fund and 55% Other Special

Revenue Funds in the Office for Family Independence - District program to 50% General Fund and 50% Other Special Revenue Funds in the Office for Family Independence program. It also transfers funding for related All Other costs. This initiative increases General Fund - Personal Services by \$213,744 in FY20 and \$226,301 in FY21 and increases General Fund - All Other by \$19,194 in FY20 and \$19,194 in FY21. This initiative also provides an allocation in Other Special Revenue Funds - Personal Services of \$213,713 in FY20 and \$226,282 in FY21 and provides an allocation in Other Special Revenue Funds - All Other of \$26,845 in FY20 and \$27,258 in FY21. This initiative is also found on page A-298, which reflects the position transfers out of the Office for Family Independence – District program.

CA7204 The last initiative within this program, on page A-297, aligns funding for positions funded in the Central office but which are filling vacancies in the Regional office. It transfers and reallocates one Office Assistant II position from 50% General Fund and 50% Other Special Revenue Funds in the Office for Family Independence program to 45% General Fund and 55% Other Special Revenue Funds in the Office for Family Independence - District program. It transfers and reallocates 2 Eligibility Specialist positions from 50% Other Special Revenue Funds and 50% General Fund in the Office for Family Independence program to 45% General Fund and 55% Other Special Revenue Funds in the Office for Family Independence - District program. It also transfers funding for related All Other costs. This initiative reduces General Fund - Personal Services by \$101,264 in FY20 and \$106,848 in FY21 and reduces General Fund - All Other by \$9,597 in FY20 and \$9,597 in FY21. This initiative also reduces Other Special Revenue Funds - Personal Services by \$101,272 in FY20 and \$106,848 in FY21 and reduces Other Special Revenue Funds - All Other by \$13,239 in FY20 and \$13,422 in FY21. This initiative will also be found on page A-299, which reflects the position transfers in to the Office for Family Independence – District program.

The next program is the Office for Family Independence – District program, on page A-298, which determines eligibility and delivers direct services including Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), Medicaid, Emergency Assistance, State Supplement to Social Security, Alternative Aid, Transitional Transportation, Transitional Child Care and Transitional Medicaid Services in regional offices.

CA1814 The first initiative within this program, on page A-298, reflects the position transfers into the Office for Family Independence program and was previously described on page A-296. This initiative reduces General Fund - Personal Services by \$192,354 in FY20 and \$203,662 in FY21 and reduces General Fund - All Other by \$17,275 in FY20 and \$17,275 in FY21. This initiative also reduces the allocation in the Other Special Revenue Funds - Personal Services by \$235,103 in FY20 and \$248,921 in FY21 and reduces the allocation in the Other Special Revenue Funds - All Other by \$29,530 in FY20 and \$29,984 in FY21.

CA1815 The next initiative within this program, on page A-298, combines two positions into one. It eliminates one part-time vacant Eligibility Specialist position from the Office for Family Independence - District program. It also increases funding by increasing the hours of one part-time Eligibility Specialist position from 40 hours to 80 hours bi-weekly. This initiative reduces General Fund - Personal Services by \$580 in FY20 and \$1,004 in FY21 and reduces the

allocation in the Other Special Revenue Funds - Personal Services by \$711 in FY20 and \$1,231 in FY21.

CA1203 The next initiative within this program, on page A-299, transfers positions in the Department's Fraud, Investigation and Recovery Unit from Center Operations to the Office for Family Independence, as described in Monday's hearing. It transfers 21 positions from 50% General Fund and 50% Other Special Revenue Funds in the Department of Health and Human Services - Central Operations program to 50% General Fund and 50% Other Special Revenue Funds in the Office for Family Independence - District program. It also adjusts funding for related All Other costs. This initiative provides General Fund - Personal Services of \$873,831 in FY20 and \$913,425 in FY21 and provides General Fund - All Other of \$131,275 in FY20 and \$131,275 in FY21. This initiative also provides an allocation in the Other Special Revenue Funds - Personal Services of \$873,751 in FY20 and \$913,357 in FY21 and provides an allocation in the Other Special Revenue Funds - All Other of \$164,290 in FY20 and \$165,591 in FY21. This initiative is also found on page A-244, which reflects the position transfers out of the Department of Health and Human Services - Central Operations program. This initiative is also in the Monday afternoon session.

CA1204 The next initiative within this program, on page A-299, reflects the position transfers out of the Office for Family Independence program previously described on page A-297. This initiative increases General Fund - Personal Services by \$91,140 in FY20 and \$96,169 in FY21 and increases General Fund - All Other by \$8,638 in FY20 and \$8,638 in FY21. This initiative also provides Other Special Revenue Funds - Personal Services of \$111,396 in FY20 and \$117,527 in FY21 and provides Other Special Revenue Funds - All Other of \$14,563 in FY20 and \$14,765 in FY21.

CA7224 The last initiative within this program, on page A-299, provides one-time funding for technology upgrades to the public assistance web portal. The funds would pay for the redesign of the eligibility process such that it requires less human intervention, more accurate decisions, enhanced speed to decision, and an easier application process for Maine people. This initiative provides General Fund - All Other of \$1,700,000 in FY20 and \$300,000 in FY21 and provides allocation in the Other Special Revenue Funds - All Other of \$4,257,924 in FY20 and \$751,398 in FY21.

The next program is the State Supplement to Federal Supplemental Security Income (SSI) program, on page A-322. It pays beneficiaries of the Supplemental Security Income Program, as required to maintain federal Medicaid funding. It also supports the legislatively directed cash program for non-citizens who are ineligible for federal SSI. There are no new initiatives for this program.

The next program is the Temporary Assistance for Needy Families program, on page A-324, which provides cash assistance to low-income families with children. Eligibility is determined through a comparison of family income and resources to a standard of need for food, clothing, utilities, and shelter. A special payment of up to \$300 per month is provided to families whose

selected shelter costs exceed 50% of their income. The TANF account also provides the cash assistance for the Parents As Scholars (PaS) Program for low-income families with children where one or both of the parents are attending an approved post-secondary educational program. Alternative Aid is a program for families needing resources to obtain or continue employment and may only be received once. This benefit is equal to up to 3 months of TANF benefits. Emergency Assistance is a once a year program for families to eliminate an emergency that stops them from moving towards self-support.

CA1809 The only initiative within this program, on page A-324, increases funding related to revenue from the collection of Aid to Families with Dependent Children (AFDC) overpayments. The State is able to retain a portion equivalent to the Federal Financial Participation rate that was in effect in 1997. This initiative provides Other Special Revenue Funds - All Other of \$231,000 in FY20 and \$4,300 in FY21.

Language

Page 80L, Part CCC: This Part repeals statutory provisions that impose additional eligibility criteria related to drug testing for applicants and recipients of the Temporary Assistance for Needy Families federal block grant.

Elder Services and Dually Eligible Members

The Independent Housing with Services program on page A-266 contracts with agencies to assist seniors and adults with disabilities living in subsidized housing to remain independent by providing services such as homemaker, personal care, meals, personal emergency response system, and transportation.

CA1609 The only initiative within this program, on page A-268, streamlines home-based care. Currently, there are separate appropriations for the State-funded Home-Based Care and Independent Housing with Services programs. This initiative would allow the Department to seamlessly integrate the two programs, consistent with Resolve 2011, Chapter 71, *Resolve, To Implement the Recommendations of the Report on Services for Elders and Other Adults Who Need Long-Term Home-based and Community-based Care*. It transfers funding from this program to the Long-Term Care – Office of Aging and Disability Services program. This initiative reduces General Fund - All Other by \$2,799,286 in FY20 and \$2,799,286 in FY21. This initiative will also be found on page A-268, which reflects the transfer in to the Long-Term Care – Office of Aging and Disability Services program.

The next program, on page A-268, is the Long-Term Care - Office of Aging and Disability Services program which pays for personal care, home health and other needed services as an alternative to nursing home placement.

CA1609 The first initiative within this program, on page A-268, reflects the transfer out of the Independent Housing with Services program just described on page A-266. This initiative increases General Fund - All Other by \$2,799,286 in FY20 and \$2,799,286 in FY21.

CA7219 The next initiative within this program, on page A-268, provides funding for an increase to rates for adult family care, day health, nursing facility services, and private non-medical institution services pursuant to Public Law 2017, chapter 460, Part B. This initiative provides General Fund - All Other of \$801,346 in FY20 and \$1,293,051 in FY21. This initiative is also on pages A-249, A-285, A-295 and A-315 and has been described previously.

The next program is the Low-Cost Drugs to Maine's Elderly program, on page A-269, which assists low-income elderly in obtaining prescription drugs.

CA7227 The first initiative within this program, on page A-269, provides funding for increasing the upper income eligibility level for the Low-Cost Drugs to Maine's Elderly program from 175% to 185% of the federal poverty level. Eligibility had been reduced to 175% of the federal poverty level in fiscal year 2012-13. This initiative increases General Fund - All Other by \$168,638 in FY20 and \$178,756 in FY21. This is estimated to help approximately 222 people.

CA7234 The next initiative within this program, on page A-269, reduces General Funds needed to close the Medicare coverage gap in pharmacy spending called the "donut hole." Previously for calendar year 2019, the coverage gap in Medicare would begin when enrollees not otherwise eligible for other assistance incurred \$3,820 in outpatient prescription drug spending and would end when total spending is \$7,653.75. The U.S. Congress closed the Medicare donut hole early, in calendar year 2019 for brand-name drugs and 2020 for generics. This lowers the need for State funding. This initiative reduces the General Fund - All Other by \$133,023 in FY20 and \$227,922 in FY21.

The next program is the Maine RX Plus Program, on page A-276, which makes prescription drugs more affordable for qualified Maine residents. Doing so increases the overall health of Maine residents, promotes healthy communities, and protects the public health and welfare of Maine residents. There are no new initiatives for this program.

The next program is the Medical Care – Payments to Providers program, on page A-282, which funds Medicaid services administered by the Office of MaineCare Services.

CA2109 The first initiative within this program, on page A-283, provides funding for the Federally-required increase in the State contribution to prescription drug costs for eligible individuals enrolled in the Medicare Part D program. This increase based on the Medicare Part D premium increase is projected to be 4%. This initiative increases General Fund - All Other by \$2,123,572 in FY20 and \$4,419,491 in FY21.

CA7219 The next initiative within this program, on page A-285, provides funding for an increase to rates for certain services, as previously described on page A-268. The historical average annual increase is 4%. This initiative provides General Fund - All Other of \$5,313,379 in FY20 and \$8,158,013 in FY21 and provides an allocation in the Federal Expenditures Fund - All Other of \$26,948,201 in FY20 and \$39,125,834 in FY21. It also

provides an allocation in the Other Special Revenue Funds - All Other of \$698,751 in FY20 and \$1,069,932 in FY21.

CA7228 The last initiative within this program, on page A-286, provides funding to restore the income eligibility levels for the Medicare savings program to fiscal year 2010-11 levels. It also provides funding for hospitals as a result of the increased eligibility levels. An estimated 1,554 people will benefit from this change. This initiative provides General Fund - All Other of \$2,006,412 in FY20 and \$2,076,932 in FY21 and provides an allocation in the Federal Expenditures Fund - All Other of \$3,563,860 in FY20 and \$3,660,448 in FY21.

The next program is the Nursing Facilities program, on page A-294, which provides funds for Medicaid payments to nursing facilities for the care of seniors and individuals with disabilities. This program also oversees funding for prescription drugs for these persons as well as comprehensive dental care for individuals in intermediate care facilities and for individuals with intellectual disabilities.

CA2110 The first initiative within this program, on page A-294, adjusts funding as a result of the decrease in the FMAP as discussed in the last two days of hearings. This initiative provides General Fund - All Other of \$1,921,191 in FY20 and \$2,619,806 in FY21 and reduces the Federal Expenditures Fund - All Other by \$1,921,191 in FY20 and \$2,619,806 in FY21. This initiative will also be found on pages A-250, A-251, A-280, A-281, A-283, A-287, A-292, A-311 and A-325, which reflects the other MaineCare programs that will be affected.

CA7207 The next initiative within this program, on page A-294, brings appropriation and allocation in line with the Revenue Forecasting Committee, as previously discussed. This initiative increases General Fund - All Other by \$2,680,403 in FY20 and \$1,882,945 in FY21 and reduces the allocation in the Other Special Revenue Funds - All Other by \$2,680,403 in FY20 and \$1,882,945 in FY21. This initiative will also be found on pages A-250, A-251, A-280, A-283, A-292, A-311 and A-319.

CA7211 The next initiative within this program, on page A-294, adjusts the allocation between the Medical Care – Payments to Providers program and the Nursing Facilities program within the same fund to correct an allocation approved in Public Law 2017, chapter 460. This initiative moves the allocation to the correct program. It increases Federal Expenditures Fund - All Other by \$27,235,438 in FY20 and \$36,082,855 in FY21. This initiative is also found on page A-284, which reflects the reduction in the Medical Care - Payments to Providers program.

CA7219 The next initiative within this program, on page A-295, has been previously described. It funds an increase to rates for certain services pursuant to Public Law 2017, chapter 460, Part B. This initiative provides General Fund - All Other of \$7,426,036 in FY20 and \$13,555,106 in FY21 and provides an allocation in the Other Special Revenue Funds - All Other of \$1,501,243 in FY20 and \$2,298,701 in FY21. This initiative is also on pages A-249, A-268, A-285 and A-315.

CA7221 The last initiative within the Nursing Facilities program, on page A-295, provides funding for both a cost-of-living adjustment of 2.5% in FY20 and a rebasing in FY21. This initiative provides General Fund - All Other of \$1,960,155 in FY20 and \$6,501,908 in FY21 and provides an allocation in the Federal Expenditures Fund - All Other of \$4,177,571 in FY20 and \$13,735,818 in FY21. It also provides an allocation in the Other Special Revenue Funds - All Other of \$391,770 in FY20 and \$1,291,770 in FY21.

The next program is the Medical Care – Payments to Providers program, on page A-282, which funds Medicaid services administered by the Office of MaineCare Services and has already been described.

CA7211 This initiative, on page A-284, implements a correction, already described on page A-294. This initiative moves the allocation between the Medical Care – Payments to Providers program and the Nursing Facilities program within the same fund to the correct program. This initiative reduces the Federal Expenditures Fund - All Other by \$27,235,438 in FY20 and \$36,082,855 in FY21.

The next program is the Office of Aging and Disability Services Adult Protective Services program, on page A-301. It performs the duties as required by 22 MRSA Chapter 958-A, Adult Protect Services Act.

CA1602 The only initiative within this program, on page A-301, adjusts appropriation between the Developmental Services – Community program and this program to support disability services delivered through the Adult Protective Services program. When the Office of Elder Services and the Office of Adults with Cognitive and Physical Disabilities were combined into the Office of Aging and Disability Services, programs and services were combined but funding streams were kept separate. Adult Protective Services supports both developmental services and non-developmental services clients. This initiative provides General Fund - All Other of \$100,000 in FY20 and \$100,000 in FY21. This initiative is also found on page A-248, which reflects the decrease in the Developmental Services – Community program.

The next program is the Office of Aging and Disability Services Central Office Program on page A-302, which administers health and social services programs to help adults who are older or disabled remain independent in their communities.

CA1604 The only initiative in this program, on page A-302, adjusts funding between the General Fund and Federal Expenditures Fund to continue Long-Term Care Ombudsman services as the Federal program for Money Follows the Person ends. The Ombudsman facilitates discharges from emergency departments and step-down services from crisis housing. This initiative provides General Fund - All Other of \$286,586 in FY20 and \$286,586 in FY21 and reduces allocation in the Federal Expenditures Fund All Other of \$286,586 in FY20 and \$286,586 in FY21.

The next program is the Private Non-Medical Institution Room and Board program, on page A-315, which maintains a boarding home payment structure that reflects the needs of the patients and reimburses homes based on the costs of efficient and economically run facilities.

CA7219 The only initiative within this program, on page A-315, provides funding for an increase to rates for certain services pursuant to Public Law 2017, chapter 460, Part B, as previously described. This initiative provides General Fund All - Other of \$932,050 in FY20 and \$1,426,958 in FY21.

The last program is the Medical Care – Payments to Providers program, on page A-282, which funds Medicaid services administered by the Office of MaineCare Services.

CA2108 This initiative, on page A-282, provides funding in the Medical Care – Payments to Providers program for a Federally-set increase in the premium rate for individuals enrolled in Medicare Part B. MaineCare supports such premiums for low-income seniors and individuals with disabilities. This initiative provides General Fund - All Other of \$1,203,801 in FY20 and \$1,928,150 in FY21 and provides an allocation in the Federal Expenditures Fund - All Other of \$2,128,803 in FY20 and \$3,398,236 in FY21. This initiative is also found on page A-315.

Language

Page 76L, Part ZZ: This Part changes the household income guidelines in the elderly low-cost drug program from 175% to 185% of the Federal poverty level.

Thank you for the opportunity to present the Governor's proposed budget for SFY 2020 and SFY 2021 for the Department of Health and Human Services.