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State of Maine
 ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE
 COMMITTEE ON HEALTH AND HUMAN SERVICES

MEMORANDUM

To: Senator G. William Diamond, Senate Chair
 Representative Emily Ann Cain, House Chair
 Joint Standing Committee on Appropriations and Financial Affairs

From: Joseph C. Brannigan, Senate Chair
 Anne C. Perry, House Chair
 Joint Standing Committee on Health and Human Services

Date: March 8, 2010

Re: HHS Committee recommendations on Change Package #2 to LD 1671

Thank you for providing the Health and Human Services Committee the opportunity to give the Appropriations Committee recommendations on Change Package #2 to LD 1671. We have worked on the Change Package and submit as our report this letter, the attached spreadsheets and the updated Appendix A list of adult mental health services nonMaineCare contracts, budget initiative F-A-7200.

The Health and Human Services Committee was pleased to see in the Change Package proposals to provide funding for identified needs. HHS Committee members oppose partial funding restorations where they feel that full restorations are needed.

We note that the Change Package restores some funding for contracts embedded in the adult mental health services nonMaineCare line that contains 17 contracts, budget initiative (F-A-7200). See Appendix A, adult mental health services nonMaineCare contracts.

- We support reversal of the cut and increased funding of \$100,000 for community integration in FY11 as proposed in the Change Package. Some members now oppose the cuts on this line in FY10.
- We support restoration of \$1,350,000 in FY11 to adult mental health mobile crisis services as proposed in the Change Package.
- We oppose partial restorations and continued initiatives that still provide cuts.

The Health and Human Services Committee has not yet reviewed the language portions of the Change Package that pertain to Riverview Psychiatric Center and Dorothea Dix Psychiatric Center and the Fund for a Healthy Maine.

Thank you for providing the Health and Human Services Committee this opportunity for input. We would be happy to speak with the Appropriations Committee at your convenience.

cc: Health and Human Services Committee members
Maureen Dawson, OFPR
Christopher Nolan, OFPR
Alex Avore, OFPR

Appendix A, Adult Mental Health Services nonMaineCare Contracts

	Original LD 1671		HHS 2-24-10 Votes		HHS 3-8-10 Votes		3-3-10 Change Package	
	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11
Involuntary Hospitalization	(350,000)	(670,000)	(350,000)	(670,000)	(350,000)	(670,000)	(350,000)	(670,000)
Assertive Community Treatment (ACT)	(146,000)	(585,000)	0	0	0	0	(146,000)	(185,000)
Daily Living Support Services (DLSS)	(38,000)	(152,000)	0	0	0	0	(38,000)	(152,000)
Community Integration	(273,000)	(200,000)	(273,000)	(200,000)	(273,000)	100,000	(273,000)	100,000
Specialized Direct Services	(70,000)	(270,000)	0	0	0	0	(70,000)	(270,000)
NAMI	(55,000)	(220,000)	0	0	0	0	(55,000)	(100,000)
Advocacy	(34,430)	(137,723)	(34,430)	(105,138)	(34,430)	(105,138)	(34,430)	(137,723)
- Maine Center on Deafness								
- Maine Coalition Against Sexual Assault								
Outreach	(18,000)	(79,000)	(18,000)	(79,000)	(18,000)	(79,000)	(18,000)	(79,000)
Court Master	(125,000)	0	(125,000)	0	(125,000)	0	(125,000)	0
Warm Line	(18,000)	(72,000)	(18,000)	(72,000)	(18,000)	(72,000)	(18,000)	(72,000)
QIC	0	(5,000)	0	(5,000)	0	(5,000)	0	(5,000)
Professional Services	(55,684)	(108,246)	(55,684)	(108,246)	(55,684)	(108,246)	(55,684)	(108,246)
Portland Identification and Early Referral (PIER)	(8,750)	(35,000)	0	0	0	0	(8,750)	(35,000)
MCD - CSSP	0	(113,000)	0	(113,000)	0	(113,000)	0	(113,000)
Center for Learning/Muskie	(150,000)	(300,000)	(150,000)	(300,000)	(150,000)	(300,000)	(150,000)	(300,000)
Mobile Crisis Services	0	(1,350,000)	0	0	0	0	0	0
Transportation	0	(282,500)	0	0	0	0	0	(282,500)
	(1,341,864)	(4,579,469)	(1,024,114)	(1,652,384)	(1,024,114)	(1,352,384)	(1,341,864)	(2,409,469)

LD 1671 Governor's Proposed 2010-2011 Supplemental Budget - HHS Committee Policy Initiative Report - w 3/3/10 Change Package 2 Items

3/8/2010

ProgramCd	Program	Initiative #	InitiativeText	Initiative Justification	Initiative Notes	Secondary Class	Fund	Unit	Line #	HHS Action	HHS Vote 3/4	AFA Action	AFA Vote	FY 10 Total	FY 11 Total
1	734	Disproportionate Share - Dorothea Dix Psychiatric Center	CP2	Eliminates the following vacant positions: 3 Licensed Practical Nurse positions, one Chaplain II position, one Occupational Therapist II position, 2 Public Service Manager II positions, one Psychiatric Social Worker I position, 6 Mental Health Worker I positions, 2 Mental Health Worker II positions, 3 Office Associate II positions, one part-time Nurse IV position, one Team Leader position and one Assistant Team Leader position.		Added in CP2.	Adult MH	General Fund	1		UNK	Y	UNK	\$0	(\$425,062)
3	121	Mental Health Services - Community	CP2	Provides funding for services for approximately 75 people on the Bridging Rental Assistance Program waitlist and to expand access to community integration services to approximately 80 people.		Added in CP2.	Adult MH	General Fund	1		UNK	Y	UNK	\$0	\$650,000
6	732	Mental Health Services - Community Medicaid	CP2-MH-CS	Reduces funding for the MaineCare Benefits Manual, Section 17, Community Support Services by lowering reimbursement rates by 4%. The corresponding federal funding reduction is in the Medical Care - Payments to Providers program.		Added in CP2.	Adult MH	General Fund	14		UNK	N, 10-1	UNK	\$0	(\$675,344)
10	732	Mental Health Services - Community Medicaid	CP2-MH-PNMI	Reduces funding by standardizing the reimbursement rates for private nonmedical institutions billing under the MaineCare Benefits Manual Section 97, Appendix B - Substance Abuse Treatment Facilities and Appendix E - Community Residences for Persons with Mental Illness.		Added in CP2.	Adult MH	General Fund	14		UNK	Y, 10-1	UNK	\$0	(\$425,159)
12	121	Mental Health Services - Community	F-A-7200 CP2	Reduces funding for non-MaineCare services other than housing and medication management and in fiscal year 2010-11 allows \$1,350,000 for mobile crisis services, \$120,000 for NAMI Maine to perform family support, \$400,000 for assertive community treatment services and \$300,000 for community intervention services.	This initiative reduces funding that provides coverage for MaineCare-like services to people who are not eligible for MaineCare. The impact will be: 40 people will no longer receive ACT services, 13 people will no longer receive living supports, 364 people will no longer receive community integration and various contracts with advocacy and support organizations will be ended.	Policy Committee adopted (\$1,024,114) in FY 10 and (\$1,352,384) in FY 11. See separate listing. CP2 changed the initiative description and reduced the FY 11 deappropriation. Original FY 11 amount was (\$4,579,469). These are CP2 amounts, not the policy recommendation.	Adult MH	General Fund	2	150	AMD	N, 10-1	UNK	(\$1,341,864)	(\$2,409,469)
17	732	Mental Health Services - Community Medicaid	F-A-7272 CP2-CP1	Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced 4% and hospital, physician, pharmacy and dental services.	Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%.	Deleted in CP2.	Adult MH	General Fund	14	192	OUT	Y	UNK	\$0	(\$4,525,641)

LD 1671 Governor's Proposed 2010-2011 Supplemental Budget - HHS Committee Policy Initiative Report - w 3/3/10 Change Package 2 Items

3/8/2010

ProgramCt	Program	Initiative #	InitiativeText	Initiative Justification	Initiative Notes	Secondary Class	Fund	Unit	Line #	HHS Action	HHS Vote 3/4	AFA Action	AFA Vote	FY 10 Total	FY 11 Total
18	732 Mental Health Services - Community Medicaid	F-A-7272 CP2	Reduces funding for the MaineCare Benefits Manual, Section 65, Behavioral Health Services by 10%, excluding children's comprehensive community support and multi-systems therapy which will be reduced by 4% and outpatient therapy and children's assertive community treatment services which will not be reduced. Reimbursement rates for crisis services will be standardized to achieve the equivalent of 10% savings. The corresponding state funding decreases are in the Mental Health Services - Child Medicaid program and the Mental Health Services - Community Medicaid program.		Added in CP2 - subsequently corrected to add additional - \$62,046 from OSA. See Children's Services for remaining items of this initiative. Original 10% amount was (\$4,525,641).	Adult MH	General Fund		14	UNK	N, 9-2	UNK		\$0	(\$937,965)
22	137 IV-E Foster Care/Adoption Assistance	CP2	Adjusts funding on a one-time basis as a result of the receipt of additional funding from the American Recovery and Reinvestment Act of 2009.		Source of ARRA funding?	Children's Services	General Fund		1	UNK	Y	UNK		(\$2,866,740)	(\$839,000)
24	147 Medical Care - Payments to Providers	CP2-CS-PNMI	Reduces funding by lowering reimbursement rates under the MaineCare Benefits Manual Section 97, Appendix D - Principles of Reimbursement for Child Care Facilities by 3% for treatment foster care and 2% for other facilities. The reductions to treatment foster care rates are not to be passed on as reductions to the foster parents.		CP2 Added.	Children's Services	General Fund		1	UNK	Y	UNK		\$0	(\$622,049)
30	147 Medical Care - Payments to Providers	F-A-7208 CP2	Reduces funding to reflect the savings associated with the creation of a children's waiver.	Children's Behavioral Health Services will work with the federal Centers for Medicare and Medicaid Services and the Office of MaineCare Services to implement a new section of MaineCare policy to serve children. It is anticipated that there would be approximately 40 children across Children's Behavioral Health and Child Welfare Services that would be served in the waiver program at a state expenditure of approximately \$29,720 per child/per year. These children would otherwise be receiving services in a facility such as a private nonmedical institution (PNMI) at an annual state expenditure of \$59,097. This initiative would generate savings of \$29,377 per child per year or up to \$979,560 in General Fund expenditures for 40 children after being adjusted for the PNMI tax.	CP2 modifies. Original proposal for FY 11 was - \$979,560 for 010; -\$2,116,258 for 013, and -\$160,698 for 020. AFA had voted original proposal IN on 3/1/10	Children's Services	General Fund		724	IN	Y	UNK		\$0	(\$489,780)
34	136 Mental Health Services - Children	F-A-7224 CP2	Reduces funding for non-MaineCare children's crisis services.	This budget initiative will be undertaken in collaboration with the Office of Adult Mental Health Services in order to achieve the best efficiencies. Reductions are proposed for fiscal year 2009-10 by taking an across-the-board cut across the 6 community agencies that currently provide children's mobile crisis services. Funding reductions in fiscal year 2010-11 will be achieved by creating a statewide administrative structure.	FY 10 deappropriation equals amount contained in the curtailment order dated November 20, 2009. CP2 deleted the FY 11 reduction. Original proposal included a deappropriation of \$840,000 in FY 11. The policy committee accepted the FY 10 reduction and rejected the FY 11 reduction.	Children's Services	General Fund		7 165	AMD	Y	UNK		(\$310,000)	\$0

LD 1671 Governor's Proposed 2010-2011 Supplemental Budget - HHS Committee Policy Initiative Report - w 3/3/10 Change Package 2 Items

3/8/2010

ProgramC	Program	Initiative #	InitiativeText	Initiative Justification	Initiative Notes	Secondary Class	Fund	Unit	Line #	HHS Action	HHS Vote 3/4	AFA Action	AFA Vote	FY 10 Total	FY 11 Total
39	731	Mental Health Services - Child Medicaid	F-A-7272 CP2	Reduces funding based on a 10% reduction to the rates paid to providers under the following MaineCare Benefits Manual sections: 3, Ambulatory Care Clinic Services; 13, Targeted Case Management Services; 15, Chiropractic Services; 23, Developmental and Behavioral Evaluation Clinics; 28, Rehabilitative and Community Support Services for Children with Cognitive Impairments and Functional Limitations; 30, Family Planning Agency Services; 35, Hearing Aids and Services; 37, Children's Home Based Mental Health; 46, Psychiatric Hospital Services; 62, Genetic Testing and Clinical Genetic Services; 68, Occupational Therapy Services; 85, Physical Therapy Services; 95, Podiatric Services; 109, Speech and Hearing Services; 113, Transportation Services; 150, STD Screening Clinic Services; and 190, Boarding Home and Related.		Added in CP2. Original 10% reduction was \$1,544,951.	Children's Services	General Fund	17		UNK	N, 10-1	UNK	\$0	(\$553,367)
40	731	Mental Health Services - Child Medicaid	F-A-7272 CP2	Reduces funding for the MaineCare Benefits Manual, Section 65, Behavioral Health Services by 10%, excluding children's comprehensive community support and multi-systems therapy which will be reduced by 4% and outpatient therapy and children's assertive community treatment services which will not be reduced. Reimbursement rates for crisis services will be standardized to achieve the equivalent of 10% savings. The corresponding state funding decreases are in the Mental Health Services - Child Medicaid program and the Mental Health Services - Community Medicaid program.		Added in CP2.	Children's Services	General Fund	17		UNK	N, 10-1	UNK	\$0	(\$602,578)
41	721	Mental Health Services - Child Medicaid	F-A-7272 CP2-CP1	Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced 4% and hospital, physician, pharmacy and dental services.	Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%.	Deleted in CP2.	Children's Services	General Fund	17	186	OUT	Y	UNK	\$0	(\$1,544,951)
51	987	Mental Retardation Waiver - MaineCare	CP2-21-A	Provides funding to increase enrollment in the MaineCare Benefits Manual, Section 21, Home and Community Benefits for Members with Mental Retardation or Autistic Disorder by approximately 100 members and in the MaineCare Benefits Manual, Section 29, Community Support Benefits for Members with Mental Retardation and Autistic Disorder by approximately 60 members. The corresponding federal funding increase is in the Medical Care - Payments to Providers program.		Added in CP2.	Developmental Services	General Fund	16		UNK	Y	UNK	\$0	\$1,571,889

LD 1671 Governor's Proposed 2010-2011 Supplemental Budget - HHS Committee Policy Initiative Report - w 3/3/10 Change Package 2 Items

3/8/2010

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52	Z006	Mental Retardation Waiver - Supports	CP2-21-A	Provides funding to increase enrollment in the MaineCare Benefits Manual, Section 21, Home and Community Benefits for Members with Mental Retardation or Autistic Disorder by approximately 100 members and in the MaineCare Benefits Manual, Section 29, Community Support Benefits for Members with Mental Retardation and Autistic Disorder by approximately 60 members. The corresponding federal funding increase is in the Medical Care - Payments to Providers program.		Added in CP2.	Developmental Services	General Fund		16	UNK	Y	UNK		\$0	\$255,714
56	987	Mental Retardation Waiver - MaineCare	CP2-21-B	Reduces funding for the MaineCare Benefits Manual, Section 21, Home and Community Benefits for Members with Mental Retardation or Autistic Disorder. Reimbursement rates will be reduced by 2% for day habilitation and work supports and 1% for residential providers; all other services will be reduced by 10%. The corresponding federal funding reduction is in the Medical Care - Payments to Providers program.		Added in CP2.	Developmental Services	General Fund		16	UNK	N, 8-3	UNK		\$0	(\$1,204,153)
57	122	Mental Retardation Services - Community	F-A-7202 CP2	Reduces funding by decreasing room and board subsidies.	Developmental Services provides rent subsidy to offset the room and board costs that are not sufficiently covered by the individuals' SSI or other benefits for group homes. The department proposes curtailing current contracts and reducing fiscal year 2010-11 contracts.	FY 10 deappropriation equals amount contained in the curtailment order dated November 20, 2009. CP2 reduced the FY 11 deappropriation. Original amount was (\$1,022,207).	Developmental Services	General Fund		60	157	OUT	N, 10-1	UNK	(\$808,256)	(\$349,357)
65	987	Mental Retardation Waiver - MaineCare	F-A-7204 CP2	Reduces funding by centralizing the administration of shared living services. The corresponding federal funding decrease is in the Medical Care - Payments to Providers program.	There are 452 individuals who reside in 'shared living' homes. The current model reimbursed through the comprehensive waiver is designed to contract with qualified agencies who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. Six new employees will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead.	CP2 Modified Original reduction was (\$2,324,551). Related to HHS Lines 30,31,32, 33, 34 and 35. Policy Committee reduction was (\$852,551).	Developmental Services	General Fund		16	211	AMD	Y	UNK	\$0	(\$1,023,449)

LD 1671 Governor's Proposed 2010-2011 Supplemental Budget - HHS Committee Policy Initiative Report - w 3/3/10 Change Package 2 Items

3/8/2010

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66	122 Mental Retardation Services—Community	F-A-7205-CP2	Establishes 6 Social Services Program Specialist II positions to administer shared living homes in an effort to centralize and reduce administrative costs. These positions are allocated 50% General Fund and 50% Other Special Revenue Funds in the Mental Retardation Services—Community program.	There are 452 individuals who reside in 'shared living' homes. The current model reimbursed through the comprehensive waiver is designed to contract with qualified agencies who recruit, screen, arrange respite and provide quality assurance oversight to the adult care provider. This proposal would reduce the administrative expense associated with shared living. The 6 Social Services Program Specialist II positions in this initiative will be required to oversee this effort. There would be little impact to consumers who are receiving supports in this model. The foster parents (shared living provider) will be affected by a change in the relationship with their current oversight model. The greatest impact will be to those provider agencies whose entire business model is shared living. They would have to close. There are other agency providers who have some shared living homes and they would be impacted by a loss of funds in their administrative overhead.	Deleted in CP2.	Developmental Services	General Fund	60	158	OUT	Y	UNK	-	\$0	\$224,551
72	705 Medicaid Services—Mental Retardation	F-A-7265-CP1-CP2	Reduces funding for intermediate care facilities for persons with mental retardation or autism. The corresponding federal reduction is in the Medical Care Payments to Providers program.		Added in 2-10-10 change Package. Initiative description changed; dollar reduction remained the same. Policy Committee voted OUT the original proposal and the CP1 change. CP2 deleted the proposal.	Developmental Services	General Fund	12		OUT	Y	UNK	-	\$0	(\$743,573)
76	705 Medicaid Services—Mental Retardation	F-A-7272-CP1-CP2	Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced 4% and hospital, physician, pharmacy and dental services.	Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%.	Deleted in CP2.	Developmental Services	General Fund	12	177	OUT	Y	UNK	-	\$0	(\$399,793)

LD 1671 Governor's Proposed 2010-2011 Supplemental Budget - HHS Committee Policy Initiative Report - w 3/3/10 Change Package 2 Items

3/8/2010

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78	987 Mental Retardation Waiver - MaineCare	F-A-7272-CP1-CP2	Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced 4% and hospital, physician, pharmacy and dental services.	Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%.	Deleted in CP2.	Developmental Services	General Fund	16	214	OUT	Y	UNK	-	\$0	(\$4,744,375)
231	420 Long Term Care - Human Services	CP2	Provides funding for home-based services in the Office of Elder Services.		CP Added	Elder Services	General Fund	1		UNK	Y	UNK		\$0	\$1,000,000
232	148 Nursing Facilities	CP2	Reduces funding by eliminating staff enhancement payments to nursing facilities.		CP2 Added. HHS, 10-1, opposes funding cut, supports elimination of staff enhancement payments and amending principles of reimbursement to include this funding. 1 vote supports CP initiative fully.	Elder Services	General Fund	1		UNK	N, 10 amend. Y, 1.	UNK		\$0	(\$2,888,390)
236	147 Medical Care - Payments to Providers	CP2-ES-PNMI	Adjusts funding by allowing the program allowance to be part of personal care services when developing rates for MaineCare Benefits Manual Section 97, Appendix C, Medical Care and Remedial Care Facilities.		CP2 added. Adjustment in FY10 possible? equal to FY 11? ARRA \$ equal?	Elder Services	General Fund	1		UNK	Y	UNK		\$1,248,575	\$1,248,575
239	Z009 MR/Elderly PNMI Room and Board	CP2-ES-PNMI	Adjusts funding by allowing the program allowance to be part of personal care services when developing rates for MaineCare Benefits Manual Section 97, Appendix C, Medical Care and Remedial Care Facilities.		CP 2 Added. Can FY 10 savings be achieved? equal to FY 11 savings?	Elder Services	General Fund	1		UNK	Y	UNK		(\$2,252,111)	(\$2,252,111)
240	147 Medical Care - Payments to Providers	CP2-ES-PNMI2	Provides funding for MaineCare Benefits Manual Section 97, Appendix C, Medical Care and Remedial Care Facilities to reverse an initiative that was included in Public Law 2009, chapter 213.		CP2 added. Chk c. 213 initiative.	Elder Services	General Fund	1		UNK	Y	UNK		\$0	\$2,292,299
244	Z043 Consumer-directed Services	F-A-7203-CP2	Reduces funding for administrative costs in the Consumer-directed Services program.	The department proposes to reduce the state-funded Consumer Directed Services program by reducing the number of hours per consumer and providing support consistent with MaineCare regulations.	FY 10 deappropriation equals amount contained in the curtailment order dated November 20, 2009. CP2 amended the initiative description and reduced the FY 11 deappropriation only. The original FY 11 reduction was (\$500,000).	Elder Services	General Fund	1	221	OUT	Y, 10, 1 abstain	UNK		(\$125,000)	(\$250,000)
245	420 Long Term Care - Human Services	F-A-7209-CP2	Reduces funding by managing utilization of the homemakers program.	The Independent Support Services Program serves approximately 2,000 people. The department will manage the utilization of this program which assists with meal preparation, grocery shopping and housekeeping.	Modified in CP2. Original proposal was -\$750,000 in FY 11.	Elder Services	General Fund	1	859	OUT	N, 10-1	UNK		(\$187,500)	(\$250,000)

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247	140 Office of Elder Services Central Office	F-A-7210 CP2	Reduces funding for non-MaineCare adult day services and other supportive and administrative services and allowing for \$500,000 in fiscal year 2010-11 for day services and consultations for adult protective services clients.	This initiative reduces funding for adult day services by reducing hours of support; reduces a contract for case aides by \$103,000 and reduces contracts for occupational therapy consultation.	CP revises language and reduces net savings in FY 11 from originally proposed - \$775,000.	Elder Services	General Fund	1	598	OUT	N, 10-1	UNK		(\$250,000)	(\$275,000)
248	202 Low-cost Drugs To Maine's Elderly	F-A-7217 CP2	Reduces funding for the pharmacy incentive payment.	MaineCare pays a supplemental dispensing fee for prescriptions provided to members residing in rural areas in an attempt to assure continuing access to prescription services. The Pharmacy Incentive Payment dispensing fee ranges from \$0.55 to \$0.65 per prescription and changes on a quarterly basis to reflect the number of prescriptions filled in the prior quarter. This initiative will reduce the pharmacy incentive payment from an annual amount of \$2 million to \$1.57 million.	Deleted in CP2	Elder Services	General Fund	1	829	OUT	Y	UNK	-	\$0	(\$50,490)
251	Z009 MR/Elderly PNMI Room and Board	F-A-7272 CP2	Reduces funding based on a 10% reduction to the rates paid to providers under the following MaineCare Benefits Manual sections: 3, Ambulatory Care Clinic Services; 13, Targeted Case Management Services; 15, Chiropractic Services; 23, Developmental and Behavioral Evaluation Clinics; 28, Rehabilitative and Community Support Services for Children with Cognitive Impairments and Functional Limitations; 30, Family Planning Agency Services; 35, Hearing Aids and Services; 37, Children's Home Based Mental Health; 46, Psychiatric Hospital Services; 62, Genetic Testing and Clinical Genetic Services; 68, Occupational Therapy Services; 85, Physical Therapy Services; 95, Podiatric Services; 109, Speech and Hearing Services; 113, Transportation Services; 150, STD Screening Clinic Services; and 190, Boarding Home and Related.		CP2 Added	Elder Services	General Fund	1		UNK	N, 10-1	UNK		\$0	(\$225,909)
252	148 Nursing Facilities	F-A-7272 CP2	Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services.	Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%.	CP2 Deleted. CPI changed blippic. HHS voted out prior to CP1. HHS Committee did support a new initiative to reduce the assessment costs by \$500,000.	Elder Services	General Fund	1	807	OUT	Y	UNK	-	\$0	(\$6,647,068)
256	921 Fund for a Healthy Maine	CP2	Reduces funding to reflect a fundwide reduction to the Fund for a Healthy Maine in fiscal year 2010-11		See Part TTT Language	FHM	Fund for a Healthy Maine	1		UNK	N, 9-1	UNK		\$0	(\$1,330,582)
266	129 Bureau of Medical Services	CP2	Provides funding to begin the necessary planning for managed care.		CP2 Added One-time?	MaineCare Admin	General Fund	1		UNK	Y, 9-2	UNK		\$0	\$1,000,000

LD 1671 Governor's Proposed 2010-2011 Supplemental Budget - HHS Committee Policy Initiative Report - w 3/3/10 Change Package 2 Items

3/8/2010

ProgramC	Program	Initiative #	InitiativeText	Initiative Justification	Initiative Notes	Secondary Class	Fund	Unit	Line #	HHS Action	HHS Vote 3/4	AFA Action	AFA Vote	FY 10 Total	FY 11 Total
300	147 Medical Care - Payments to Providers	F-A-7215 CP1 CP2	Adjusts funding to reflect an update of the hospital tax base year from 2006 to 2008.	The department proposes to change the base year on which hospitals pay tax, moving the base year from 2006 to 2008.	CP1 and CP2 correct to gross amount. CP2 deletes following from blippie "and the exclusion of municipally funded hospitals from the tax beginning July 1, 2010". CP1 changed to two initiatives -- gross OSR revenue of \$13,482,557 and equal GF deappropri, partially offset by GF approp of \$2,771,612.	MaineCare Hospitals	General Fund	1	751	IN	Y, 5 N, 5 1 abstain	TBL	3/1/10	\$0	(\$13,482,557)
308	147 Medical Care - Payments to Providers	F-A-7261 CP1 CP2	Reduces funding for hospital outpatient services.	The department proposes to eliminate reimbursement for hospital visits/tests/procedures when a member has received over 15 services per year, except for HIV, neoplasms (cancer treatment), prenatal care, kidney failure and transplants. This initiative will produce General Fund savings of \$1,480,214 in fiscal year 2010-11.	CP2 deletes. HHS report-- Voted 7-2 to support some savings and endorse continued discussions among all interested parties. Original GF amounts was \$1,480,214 in FY 11. CP1 changed blippie and added ARRA allocation.	MaineCare Hospitals	General Fund	1	761	AMD	Y	UNK	-	\$0	\$0
315	147 Medical Care - Payments to Providers	CP2	Adjusts funding as the result of the disallowance of federal financial participation for targeted case management claims in fiscal years 2001-02 and 2002-03.		CP 2 Added. Should this be fund transfer instead af appropriation?	MaineCare Other	General Fund	1		UNK	Y	UNK		\$29,736,437	(\$29,736,437)
316	147 Medical Care - Payments to Providers	CP2	Reduces funding from savings realized from the application of the enhanced federal medical assistance percentage to state Medicare Part D payments.		CP 2 Added. Federal allocations needed?	MaineCare Other	General Fund	1		UNK	Y	UNK		(\$11,708,148)	(\$16,128,958)
326	147 Medical Care - Payments to Providers	F-A-1919 CP2	Provides funding for the increased cost of Medicare Part D payments.	The State of Maine participates in the Medicare Part D program with the federal government and contributes a phased-down percentage. Based on projections by the federal Centers for Medicare and Medicaid Services (CMS) and the growth of participation the department projects an increased need to fully fund the payments to CMS.	CP2 changes amounts. Original proposal was \$195,264 in FY 10 and \$370,528 in FY 11. HHS Committe told by DHHS no longer needed. given US HHS Clawback decision.	MaineCare Other	General Fund	1	720	OUT	Y	UNK		\$0	\$320,079
340	147 Medical Care - Payments to Providers	CP2	Provides funding to address a federal compliance issue with the reimbursement of ambulance services.		CP2 Added	MaineCare Providers	General Fund	1		UNK	Y	UNK		\$0	\$889,449
346	147 Medical Care - Payments to Providers	F-A-7217 CP2	Reduces funding for the pharmacy incentive payment.	MaineCare pays a supplemental dispensing fee for prescriptions provided to members residing in rural areas in an attempt to assure continuing access to prescription services. The Pharmacy Incentive Payment dispensing fee ranges from \$0.55 to \$0.65 per prescription and changes on a quarterly basis to reflect the number of prescriptions filled in the prior quarter. This initiative will reduce the pharmacy incentive payment from an annual amount of \$2 million to \$1.57 million.	CP2 deletes	MaineCare Providers	General Fund	1	739	OUT	Y	UNK	-	\$0	(\$114,510)

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351	147 Medical Care - Payments to Providers	F-A-7266-CP2	Reduces funding by limiting reimbursement for laboratory and x-ray services to 15 per year.	The department proposes to eliminate reimbursement for lab and x-ray visits/tests/procedures when a member has received over 15 services per year, except for HIV, neoplasms (cancer treatment), prenatal care, kidney failure and transplants. This initiative will produce General Fund savings of \$169,000 in fiscal year 2010-11.	CP2 Deletes.	MaineCare Providers	General Fund	1	769	OUT	Y	UNK	-	\$0	(\$169,000)
353	147 Medical Care - Payments to Providers	F-A-7272-CP1-CP2	Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced by 4% and hospital, physician, pharmacy and dental services.	Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%.	CP2 deletes and replaces. CP1 blippie change. HHS voted prior to CP1.	MaineCare Providers	General Fund	1	782	OUT	Y	UNK	-	\$0	(\$14,519,175)
357	147 Medical Care - Payments to Providers	F-A-7272-CP1-CP2	Reduces funding based on a 10% reduction to the rates paid to providers under the following MaineCare Benefits Manual sections: 3, Ambulatory Care Clinic Services; 13, Targeted Case Management Services; 15, Chiropractic Services; 23, Developmental and Behavioral Evaluation Clinics; 28, Rehabilitative and Community Support Services for Children with Cognitive Impairments and Functional Limitations; 30, Family Planning Agency Services; 35, Hearing Aids and Services; 37, Children's Home Based Mental Health; 46, Psychiatric Hospital Services; 62, Genetic Testing and Clinical Genetic Services; 68, Occupational Therapy Services; 85, Physical Therapy Services; 95, Podiatric Services; 109, Speech and Hearing Services; 113, Transportation Services; 150, STD Screening Clinic Services; and 190, Boarding Home and Related.	Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%.	CP 2 Added	MaineCare Providers	General Fund	1	782	UNK	N, 10-1	UNK	-	\$0	(\$5,628,561)

ProgramC	Program	Initiative #	InitiativeText	Initiative Justification	Initiative Notes	Secondary Class	Fund	Unit	Line #	HHS Action	HHS Vote 3/4	AFA Action	AFA Vote	FY 10 Total	FY 11 Total	
395	228	Purchased Social Services	F-A-7206 CP2	Reduces funding for contracted services for a variety of community supports and in fiscal year 2010-11 allows for \$60,000 to the Maine Children's Trust, Inc. to continue evidence-based parenting programs and \$140,800 for the Family Planning Association of Maine.	Under this proposal certain contracts funded with General Fund appropriations would be reduced. These include substance abuse services and Maine Children's Trust.	CP 2 modifies - blippie needs work. Originally proposed - \$550,000 for FY 11. Cuts - In FY10 cut totals \$150,000: Crossroads for Women \$7,474, Maine Children's Trust \$41,795 (MCT also receives OSR from tax checkoff of \$48,300/yr), Family Planning \$89,879, homeless youth at Shaw House (Bangor) \$10,892. In FY11 cuts total \$550,000 (for those marked E, no more funding in this account): Crossroads for Women (E) \$23,416, Maine Children's Trust (E) \$130,949 (MCT also receives OSR from tax checkoff of \$48,300/yr), Family Planning \$281,599, victim witness advocacy \$37,097 (E), domestic violence prevention \$42,129 (\$1.2million remains), homeless youth at Shaw House (E) (Bangor) \$34,000. Coalition against Sexual Assault, Maine Children's Trust and Family Planning testified against cut.	Social Services	General Fund	1	851	OUT	N, 10-1	UNK		(\$150,000)	(\$349,200)
396	844	Office of Substance Abuse - Medicaid Seed	CP2-SA-PNMI	Reduces funding by standardizing the reimbursement rates for private nonmedical institutions billing under the MaineCare Benefits Manual Section 97, Appendix B - Substance Abuse Treatment Facilities and Appendix E - Community Residences for Persons with Mental Illness.		Added in CP2.	Substance Abuse	General Fund	1		UNK	Y	UNK	\$0	(\$394,867)	
398	700	Driver Education and Evaluation Program - Substance Abuse	F-A-1930 CP2	Reduces funding from the Driver Education and Evaluation Programs.	This initiative reduces the appropriation for DEEP. The DEEP account has been over appropriated. This reduction will not negatively impact the program.	CP 2 eliminated the FY 10 deappropriation. Original amount was (\$250,000) in both FY 10 and FY 11.	Substance Abuse	General Fund	1	171	OUT	Y, FY10 N, 10-1, FY11	UNK	\$0	(\$250,000)	
399	844	Office of Substance Abuse - Medicaid Seed	F-A-7272-CP1-CP2	Reduces funding based on a 10% reduction to the rates paid to providers under all sections of MaineCare policy except Section 21 residential services which are reduced 4% and hospital, physician, pharmacy and dental services.	Analysis of paid claims for services in fiscal year 2007-08 showed that a 10% reduction to rates, adjusted for tax implications, would result in General Fund savings of approximately \$34,000,000. This analysis does not include payments to or for hospitals, physicians, dental services and pharmacy. The savings have been adjusted for current savings initiatives. The 10% rates does take into account current budget initiatives. Mental retardation waiver providers would have an additional 4% reduction as their budgets have already been reduced by 4%.	Deleted in CP2.	Substance Abuse	General Fund	1	204	OUT	Y	UNK	\$0	(\$192,100)	

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400	844 Office of Substance Abuse – Medicaid Seed	F-A-7272-CP2	Reduces funding for the MaineCare Benefits Manual, Section 65, Behavioral Health Services by 10%, excluding children's comprehensive community support and multi-systems therapy which will be reduced by 4% and outpatient therapy and children's assertive community treatment services which will not be reduced. Reimbursement rates for crisis services will be standardized to achieve the equivalent of 10% savings. The corresponding state funding decreases are in the Mental Health Services – Child Medicaid program and the Mental Health Services – Community Medicaid program.		Added in CP2, but corrected to move to 0732. Original 10% reduction was (\$192,100).	Substance Abuse	General Fund			UNK	Y	UNK	-	\$0	(\$62,046)

