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MEMORANDUM

TO: Joint Standing Committee on Health and Human Services
FROM: Maine Department of Health and Human Services
DATE: January 28, 2025
RE: Supplemental Budget presentation follow-up

In response to questions received from the DHHS supplemental budget presentation:

For OMS, regarding the chart showing proportions of MC claims expenditures, pg 2, provide the dollar spend, number of members receiving a service, as well as a list of what the sections of policy are and a list of the acronyms

This table shows the top ten sections of MaineCare policy (covered services), by percentage of claims expenditures. Note that this table does not include non claims expenditures, such as supplemental payments, cost settlement payments, etc.

MaineCare Benefits Manual (MBM) Section of Policy	Percent of Claims Spending	Total Claims Payments	Number of Members with One or More Claims Incurred in FY24
Section 45: Hospital Services	20.4%	\$865,519,321*	279,965
Section 21: Home and Community Benefits for Members with Intellectual Disabilities or Autism Spectrum Disorder	14.1%	\$597,107,623	3,222
Section 80: Pharmacy Services	13.0%	\$550,203,261	246,867
Section 67: Nursing Facility Services	9.1%	\$386,811,067	7,201
Section 65: Behavioral Health Services	4.6%	\$193,716,899	56,342
Section 19: Home and Community Benefits for the Elderly and Adults with Disabilities	3.4%	\$145,909,101	3,727
Section 97: Private Non-Medical Institution Services, Appendix E	3.3%	\$137,822,201	898
Section 90: Physician Services	3.1%	\$132,932,878	272,017
Section 29: Support Services for Adults with Intellectual Disabilities or Autism Spectrum Disorder	2.9%	\$124,344,341	2,861
Section 28: Rehabilitative and Community Support Services for Children with Cognitive Impairments and Functional Limitations	2.9%	\$120,909,386	2,920

* Includes estimated prospective hospital interim payment amounts

Which supplemental initiatives (FY25) have [or don't have] corresponding initiatives in the Biennial with impacts on FY26-27?

The FQHC pharmacy expansion (\$4 million) and assertive continuing care clinician training (\$1 million) were appropriated with one-time funding in FY2025 and thus do not have corresponding initiatives in the FY26-27 biennial budget.

The initiatives related to 24 mental health law enforcement liaisons (\$953,300), medication management recruitment and retention incentives (\$1.5 million savings), Office of Violence Prevention grant funding (\$1 million), and crisis receiving centers have corresponding initiatives in the FY26-27 biennial budget.

The \$117 million request for MaineCare is one-time for FY2025. There are corresponding MaineCare requests in the FY26-27 biennial budget.

Can we have a further explanation of the impact of the proposed language change in Part N (Child Care Affordability Program)? And whether GF appropriations have been made to the program for this purpose previously (i.e. is this aligning statute with existing funding)?

This language does not provide any additional money to OCFS, it allows for broader use of existing funding. General fund was provided to the CCAP program when it was expanded to cover children between 85 and 125 percent state median income (SMI) in the FY24-25 biennial budget (PL 2023, Ch.412). In that process, the appropriation was unintentionally tied to that expansion population, not the entire CCAP program. Administratively, the Department is essentially running two programs – one for children up to 85 percent SMI and one for children 86-125 percent SMI. This language makes the program more efficient and less confusing by allowing already existing General Fund to be used for any CCAP income level.

Can we have a spreadsheet with the MaineCare spend per person for different eligibility categories of members?

This table provides the per member per month (PMPM) spending for different eligibility categories. The “Overall MaineCare” category excludes certain limited benefit and state-only coverage groups. As demonstrated in the Department’s presentation and below, PMPM spending declined overall until implementation of MaineCare rate reform, and has since risen to amounts comparable to pre-pandemic levels.

Month/ Year	Child	Adult	Expansion 90/10	Aged	Disabled	Overall MaineCare Average
1/1/2019	\$416	\$701	\$693	\$1,753	\$2,101	\$1,014
3/1/2020	\$366	\$617	\$644	\$2,013	\$2,149	\$944
7/1/2022	\$316	\$528	\$586	\$1,931	\$2,344	\$819
7/1/2024	\$415	\$716	\$697	\$2,020	\$3,115	\$997

Can we have a list of the COLAs that were supposed to go into effect Jan 1? Which sections of policy are impacted and what would the cost be to implement the COLAs?

In general, services scheduled for a January 1 COLA are those subject to Part AAAA (125% of minimum wage) and related services, which are mainly behavioral health services and home and community-based services/personal care. More specifically, the COLAs are for Sections 2, 12, 13, 17, 18, 19, 20, 21, 26, 28, 29, 65, 92, 96, and 97C.

The funding provided in previous budgets for the 1/1/25 COLAs was \$3.4 million GF. That funding was provided for 6 months from January 2025 through June 2025. The COLA was estimated at 1.95 percent, which is the amount that was budgeted. Note that the Department originally assembled the FY24-25 biennial budget in the summer of 2022 and had to estimate inflation through June of 2025 at that time. If the COLA was re-instated, the Department would need roughly \$3.4 million GF in each year, or \$6.8 million over the upcoming biennium, to annualize the COLAs at 1.95 percent.

Any reinstatement of the COLA would need to be prospective, not retroactive. Due to federal requirements, the Department must provide public notice of any rate changes before they happen. Thus, we cannot go back to January 1 to implement the COLA.

On January 1, 2025, minimum wage in Maine increased by 3.5 percent, from \$14.15/hour to \$14.65/hour. The Department is conducting additional analysis to determine the amount of annualizing the funding at a 3.5 percent increase but estimates that it would cost a minimum of \$10 million annually or \$20 million over the biennium.