

**STATE OF MAINE
125st LEGISLATURE
FIRST REGULAR SESSION**

**Final Report
of the
COMMISSION TO STUDY ALLOCATIONS
OF THE FUND FOR A HEALTHY MAINE**

December 2011

Staff:

**Jane Orbeton, Senior Analyst
Anna Broome, Legislative Analyst
Office of Policy & Legal Analysis
13 State House Station
Room 215 Cross Building
Augusta, ME 04333-0013
(207) 287-1670
www.maine.gov/legis/opla**

Members:

**Sen. Earle L. McCormick, Chair
Sen. Roger J. Katz
Sen. Margaret M. Craven
Rep. Deborah J. Sanderson, Chair
Rep. Meredith N. Strang Burgess
Rep. Tyler Clark
Rep. Mark Eves
Dr. Joel A. Kase
Lisa C. Kavanaugh
Thomas M. Kivler
Dr. Sheila G. Pinette
Susan Tidd
Shawn C. Yardley**

Table of Contents

	Page
Executive Summary	i
I. Introduction.....	1
Tobacco Master Settlement.....	1
Fund for a Healthy Maine.....	1
Review of the Fund for a Healthy Maine.....	3
Office of Program Evaluation and Government Accountability.....	4
Establishment of the Commission to Study Allocations of the Fund for a Healthy Maine	5
II. Commission process.....	6
Meeting One	6
Meeting Two	7
Meeting Three	10
III. Recommendations	12

Appendices

- A. Resolve 2011, Chapter 112 – Resolve, To Study Allocations of the Fund for a Healthy Maine
- B. Membership list, Commission to Study Allocations of the Fund for a Healthy Maine
- C. Extract of November 4, 2011 Presentation of Department of Health and Human Services, Maine Center for Disease Control and Prevention, public health goals
- D. Non-Department of Health and Human Services programs funded by Fund for a Healthy Maine funds, November 17, 2011
- E. Department of Health and Human Services programs funded by Fund for a Healthy Maine funds, November 17, 2011
- F. U.S. Department of Health and Human Services, Centers for Disease Control and Prevention recommended funding levels for state tobacco prevention programs
- G. Memorandum from Senator Roger Katz to Members of the Commission to Study Allocations of the Fund for a Healthy Maine, November 28, 2011
- H. Office of Fiscal and Program Review pie chart of Fund for a Healthy Maine program spending
- I. Information requests from Department of Health and Human Services, November 29, 2011
- J. Department of Health and Human Services, Office of Substance Abuse, “Substance Abuse in Maine: What does it cost us?”
- K. Department of Health and Human Services, Maine Center for Disease Control and Prevention Response on Match and Maintenance of Effort, November 29, 2011
- L. Suggested legislation from the Commission to Study Allocations of the Fund for a Healthy Maine

Executive Summary

The Commission to Study the Allocations of the Fund for a Healthy Maine (herein referred to as “the Commission”) was authorized by Resolve 2011, chapter 112.¹ The resolve that was presented to the Legislature by the Government Oversight Committee was in response to a report from the Office of Program Evaluation and Government Accountability (OPEGA). The OPEGA report stated that ten years had passed since the Fund for a Healthy Maine law had been enacted but that since that time the programs receiving allocations from the fund had remained largely stable without a comprehensive examination of whether the structure of allocations was still appropriate. In Resolve 2011, chapter 112, the Commission was directed to review the alignment of allocations from the Fund for a Healthy Maine and report its findings and recommendations, including suggested legislation, to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services.

Members of the Commission met three times in November 2011 to conduct a review of the Fund for a Healthy Maine. The following recommendations were made unanimously by members of the Commission except where it is stated otherwise.

- 1. Change the Fund for a Healthy Maine to a separate fund.** Amend the Fund for a Healthy Maine law to change the Fund for a Healthy Maine from a group of programs within Other Special Revenue Funds to a separate fund. Maintain current law on revenues paid into the fund.
- 2. Include health promotion and prevention and overweight and obesity to the list of health purposes for the Fund for a Healthy Maine.** Amend the Fund for a Healthy Maine law to broaden “health-related purposes” to “prevention and health promotion purposes.” Also amend the list of prevention and health promotion purposes to include overweight and obesity prevention, education and treatment activities.
- 3. Require separate accounts and annual reporting about the use of Fund for a Healthy Maine funds.** Amend the Fund for a Healthy Maine law to require contractors, vendors and state agencies receiving funding from the Fund for a Healthy Maine to maintain money received from the Fund for a Healthy Maine in separate accounts and to provide a description of how Fund for a Healthy Maine funds for the prior state fiscal year were targeted to the prevention and health promotion purposes specified in the law. Require the Commissioner of Administrative and Financial Services to compile reports and forward information to the Legislature annually.
- 4. Require Health and Human Services Committee review of Fund for a Healthy Maine legislation.** Amend the Fund for a Healthy Maine law to require review by the joint standing committee having jurisdiction over health and human services matters of all legislative proposals that affect the Fund for a Healthy Maine that have majority

¹ See Appendix A for Resolve 2011, chapter 112 and Appendix B for the Commission membership.

support in the committee to which the legislation was referred. This mirrors the provision currently in Joint Rule 317. This recommendation was adopted by a majority vote of 9 to 3. The minority supported continuing to impose review requirements under Joint Rule 317.

5. Require study commission review of Fund for a Healthy Maine allocations every four years. Amend the Fund for a Healthy Maine statute to require the Legislature to establish a study commission to review allocations of the Fund for a Healthy Maine beginning in 2015 and every four years thereafter. The composition and duties of the commission would mirror the current commission under Resolve 2011, chapter 112.

6. Recommendations regarding separate program accounts. Direct the Commissioner of Administrative and Financial Services to review program structure for the programs of the Fund for a Healthy Maine and to recommend a new program structure, including a program for overweight and obesity prevention, education and treatment, beginning in state fiscal year 2014-2015. Funding for the new overweight and obesity program is from funding currently provided for this purpose under existing programs.

7. Issue a statement of support for funding continued enforcement by the Office of the Attorney General. Include in the recommendations of the Commission a statement of support for continued funding for the Office of the Attorney General from the Fund for a Healthy Maine to enable the office to continue diligent enforcement of the tobacco master settlement agreement in accordance with the requirements of Title 22, chapter 263, subchapters 3 and 4.

8. Issue a statement of support for investments in public health and prevention and for the original intent of the funding. Include in the recommendations of the Commission a statement that the Commission recognizes the importance of investments in public health and prevention and believes that the original intent of the funding should be maintained and efforts should be made to eliminate health disparities. The statement will also include the following: “Access to adequate health coverage and support for building relationships with health care providers and the health care system are critical to the individual’s ability to access important prevention, education and treatment resources related to smoking and tobacco, overweight and obesity, prenatal and young children’s care, child care, health care, prescription drugs, dental and oral health care, substance abuse, school health and nutrition programs and counseling on ways to improve individual health behaviors.”

Two proposals were discussed by the Commission and received support from a minority of members.

1. Shift Fund for a Healthy Maine funding from family planning services to the child care subsidy program and consider a Medicaid State Plan amendment for family planning services with enhanced federal financial participation. Deallocate

\$401,430 from FHM-Family Planning for state fiscal year 2012-2013, reallocate that funding to FHM-Purchased Social Services program for the child care subsidy program to enable the program to maximize matching federal block grant funds. In conjunction with the shift of funding, encourage the Appropriations and Financial Affairs Committee to consider a family planning Medicaid State Plan amendment. The family planning Medicaid expansion would expand access to family planning services to females up to 200% of the federal poverty level while taking advantage of the enhanced 9 to 1 federal match rate, which will make up for the lost Fund for a Healthy Maine funding. This proposal was supported by 4 members of the Commission and opposed by 8 members.

2. Raise tobacco and alcohol taxes and direct the revenues to prevention, education and treatment services. Raise tobacco and alcohol taxes to help to meet the costs of addiction, directing revenues from the increased taxes to the General Fund to support substance abuse prevention, education and treatment services. This proposal was supported by 4 members of the Commission and opposed by 5 members. Two members abstained from voting.

I. INTRODUCTION

Tobacco Master Settlement

In November 1998, 46 states and six United States territories and the nation's four largest tobacco manufacturers finalized the tobacco master settlement agreement in settlement of litigation to collect health related expenses caused by smoking tobacco. Under the terms of the settlement the participating tobacco manufacturers agreed to make annual payments to the states and territories in perpetuity, to curtail or cease certain tobacco marketing practices and to dissolve certain tobacco industry groups. As part of the agreement the states settled their lawsuits against the tobacco manufacturers and agreed to protect the manufacturers against private rights of action based on harm caused by tobacco. In furtherance of its obligations under the agreement Maine enacted two laws regarding the agreement, the responsibilities of the State and the obligations of tobacco manufacturers and distributors in Title 22, Maine Revised Statutes, chapter 263, subchapters 3 and 4.

Payments to the State of Maine under the tobacco settlement agreement began in state fiscal year 2000, continue through this time and are expected to continue indefinitely. By law, revenues are deposited into the Fund for a Healthy Maine to be used for a set of health-related purposes that are listed in the law. The State Treasurer provides oversight of revenues, while the State Budget Officer oversees the balance in the fund and the levels of expenditures from the fund. The Legislature approves expenditures from the fund, through allocations approved in budget bills and other bills.

Fund for a Healthy Maine

Title 22, Maine Revised Statutes, section 1511 establishes the Fund for a Healthy Maine. The law authorizes deposits into the fund from the settlement of the tobacco litigation in *State of Maine versus Philip Morris, et al., Kennebec County Superior Court, Docket No. CV-97-134*, from other sources and from interest earned and investment income on balances in the fund. In accordance with the law, since state fiscal year 2000, revenues from the tobacco settlement have been deposited into the Fund for a Healthy Maine, which is designated as an Other Special Revenue fund, where the revenues have been held in the State Treasurer's Cash Pool. In addition, beginning in state fiscal year 2006, certain revenues from slot machine operations in the state have been deposited into the Fund for a Healthy Maine pursuant to Title 8, Maine Revised Statutes, section 1036, subsection 2, paragraph E. As required by Title 22, section 1511, subsection 2, paragraph C and subsection 3-A, investment earnings have been credited back to the Fund for a Healthy Maine and unexpended funds allocated for a particular purpose but not spent or encumbered by the end of the state fiscal year have lapsed back to the fund.

Expenditures from the Fund for a Healthy Maine are made by authorization of the Legislature in budget bills and other bills. Because the fund is an Other Special Revenue fund, expenditures are made through spending decisions called allocations. Allocations from the Fund for a Healthy Maine are subject to four provisions in the law.

- Title 22 Maine Revised Statutes section 1511, subsection 4 requires allocations to be used to supplement, not supplant, appropriations from the General Fund.

- Subsection 5 requires specific legislative approval to change the source of funding for a program or activity funded from the Fund for a Healthy Maine.
- Subsection 6 limits the purposes for which allocations may be made to a list of eight health-related purposes:
 - A. Smoking prevention, cessation and control activities, including, but not limited to, reducing smoking among the children of the State;
 - B. Prenatal and young children's care including home visits and support for parents of children from birth to 6 years of age;
 - C. Child care for children up to 15 years of age, including after-school care;
 - D. Health care for children and adults, maximizing to the extent possible federal matching funds;
 - E. Prescription drugs for adults who are elderly or disabled, maximizing to the extent possible federal matching funds;
 - F. Dental and oral health care to low-income persons who lack adequate dental coverage;
 - G. Substance abuse prevention and treatment; and
 - H. Comprehensive school health and nutrition programs, including school-based health centers.
- Subsection 12, requires that beginning in state fiscal year 2009, the State Budget Officer review programs receiving funds and adjust downwards funding in the All Other line category if actual revenue collections for the Fund for a Healthy Maine for the fiscal year are less than allocations approved by the Legislature. The State Budget Officer is required to calculate reductions for all programs with All Other allocations in proportion to the All Other allocations of all funded programs. Following the recommendation of the State Budget Officer and approval by the Governor, the allocations of all programs with All Other allocations must then be reduced by financial order. The law requires the State Budget Officer to report by May 15th each year on allocation adjustments made under the law to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services.

As required by Title 22 Maine Revised Statutes section 1511, subsection 8, the Treasurer of State reports on the Fund for a Healthy Maine each December to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services. The report summarizes activity in all accounts and funds related to the Fund for a Healthy Maine and reviews tobacco settlement payments, deposits, transfers, earnings and fund balances; the State's eligibility for tobacco settlement payments; the payment formula and revenue projections; and estimated future tobacco settlement payments.

The Legislature's Office of Fiscal and Program Review maintains a website that provides information on the tobacco settlement funds. The site provides information on fund balance status reports, pie charts on budgeted uses, revenues and expenditure tables, current revenue projections, allocations and uses by program and allocations and uses history. The site also contains links to reports on allocations to programs within the Department of Health and Human Services. The address is: http://www.maine.gov/legis/ofpr/tobacco_settlement_funds/index.htm

Review of the Fund for a Healthy Maine, Public Law 2007, chapter 629, Part H

Public Law 2007, chapter 629, Part H from the 123rd Legislature directed the Joint Standing Committee on Health and Human Services to meet during the 2008 interim to review the structure, accountability and appropriate level of legislative and independent oversight of the Fund for a Healthy Maine. The Joint Standing Committee on Health and Human Services met during the 2008 interim as directed. The Committee completed its work and issued a report in December 2008 to the Joint Standing Committee on Appropriations and Financial Affairs that includes the following recommendations.

1. The Joint Standing Committee on Health and Human Services recommended that the committee request the Government Oversight Committee to authorize the OPEGA to review the efficacy, efficiency and accountability of the programs and expenditures funded from the Fund for a Healthy Maine and compare the degree to which preventive health is prioritized in the expenditure of tobacco settlement dollars in Maine and other states. On October 2nd, 2008 Senator Joseph Brannigan and Representative Anne Perry, co-chairs of the committee, sent a letter to Beth Ashcroft, Director of the OPEGA requesting the reviews recommended by the Committee. In response to this letter the OPEGA performed a review, entitled “Fund for a Healthy Maine Programs – Frameworks Adequate for Ensuring Cost-Effective Activities but Fund Allocations Should be Reassessed; Cost Data and Transparency Can Be Improved.”² See below.
2. The Joint Standing Committee on Health and Human Services recommended that the 124th Legislature establish a Fund for a Healthy Maine subcommittee, consisting of three members of the Joint Standing Committee on Health and Human Services and two members of the Joint Standing Committee on Appropriations and Financial Affairs. The subcommittee would jointly discuss all budget proposals and work together to begin fiscal planning for the eventual end to the portion of the tobacco settlement payments designated as “strategic contribution payments.” The Joint Standing Committee on Appropriations and Financial Affairs of the 124th Legislature considered this recommendation and the Legislature did not establish a subcommittee.
3. The Joint Standing Committee on Health and Human Services recommended that a new Joint Rule be established for the 124th Legislature to provide for review of all proposed Fund for a Healthy Maine allocations and deallocations and all proposed changes in the law governing the fund and its governing statutes. On January 15th 2009, the House of Representatives and Senate, as recommended and adopted by the Joint Select Committee on Joint Rules, adopted a new rule, Joint Rule 317. Joint Rule 317 requires the committee having jurisdiction over a proposal that affects the Fund for a Healthy Maine or funding from the fund to hold a public hearing on the proposal and to determine the level of support for the proposal within the committee of jurisdiction. If a majority of the Committee supports the proposal the Committee must refer the proposal

² The report is available on the OPEGA website at:
<http://www.maine.gov/legis/opega/reports/FFHM/FFHM%20Report.pdf>

to the Joint Standing Committee on Health and Human Services for review, evaluation and a report back to the Joint Standing Committee on Appropriations and Financial Affairs.

Office of Program Evaluation and Governmental Accountability Reports

As requested in the letter from Senator Joseph Brannigan and Representative Anne Perry, co-chairs of the Health and Human Services Committee, the Government Oversight Committee authorized the OPEGA to conduct reviews of state prioritization of preventive health and the efficacy, efficiency and accountability of the programs and expenditures funded from the Fund for a Healthy Maine. OPEGA performed two reviews and issued two reports to the Government Oversight Committee as described below.

In performing the first review requested by the Government Oversight Committee, OPEGA utilized past studies conducted by the U.S. Government Accountability Office and received survey responses from 33 states that receive tobacco master settlement agreement funds. The first report, "Fund for a Healthy Maine Programs: A Comparison of Maine's Allocations to Other States and a Summary of Programs," was completed by OPEGA and presented to the Government Oversight Committee in March 2009.³ This first report includes an inventory of programs funded from the Fund for a Healthy Maine, lists their State budget account numbers and the agencies responsible for the programs and describes the program activities. The report includes a comparison of spending on preventive health services and concludes with the following statements: "Maine has consistently prioritized preventive health services more than other states ... allocating 99.8% in 2005 and 99.7% in 2009. In 2005, the other 33 states reviewed allocated an average of 54% of their TMSA funds to preventive health services and an average of just 45% in 2009. Nine of the 33 states reviewed allocated none of their settlement funds to preventive health services in 2009."

The second review undertaken by OPEGA for the Government Oversight Committee studied the efficacy, efficiency and accountability of programs and expenditures funded from the Fund for a Healthy Maine, and resulted in the report entitled "Fund for a Healthy Maine Programs – Frameworks Adequate for Ensuring Cost Effective Activities but Fund Allocations Should be Reassessed; Cost Data and Transparency Can Be Improved" which was released in October 2009.⁴ In this report, OPEGA focused on whether existing managerial and oversight systems are adequate to help ensure that activities funded by the Fund for a Healthy Maine are cost-effective and carried out economically and efficiently and have sufficient transparency and accountability. In performing the review for this report OPEGA reviewed in depth four programs funded from the Fund for a Healthy Maine: Community/School Grants; Public Health Infrastructure; Tobacco Prevention and Control; and Substance Abuse. OPEGA concluded that the programs do have defined purposes and stated goals for activities that generally align with the program purposes and that responsible agency managers are working to maximize effectiveness, that performance

³ The report is available on the OPEGA website at:
http://www.maine.gov/legis/opega/GOC/GOC_meetings/Current_handouts/2-27-09/2-26%20Info%20Brief%20FFAHM-Tab%202%20.pdf

⁴ The report is available on the OPEGA website at:
<http://www.maine.gov/legis/opega/reports/FFHM/FFHM%20Report.pdf>

measures are used and that frameworks for managing cost-effectiveness are reasonably adequate. OPEGA noted that meaningful conversations about cost-effectiveness are challenged by reluctance to deviate from the original funding agreement, inability to place responsibility for the Fund for a Healthy Maine in one State entity, lack of activity level financial and performance data, unclear budgetary descriptions and lack of alignment between budgetary programs and their activities and financial and performance information. The OPEGA recommendations in the October 2009 report include the following:

1. Allocations of Fund for a Healthy Maine funds should be reviewed in the context of the changing health environment and goals. This could include assessment by the Legislature of existing allocations and establishment of a structure to periodically reassess allocations.
2. Budgetary programs should be better aligned with the state's health goals, efforts and related performance information. This could include moving out of Community/School Grants the following expenditures: school nutrition/breakfast, tobacco enforcement and local public health liaisons.
3. Budget descriptions should be updated and more specific. This could include providing guidance to State agencies on program descriptions that are complete, accurate and up-to-date.
4. Costs for major activities within budgetary programs should be tracked within the State's accounting system. This could include development of a coordinated sub-account structure to assign costs at the activity level.

Establishment of the Commission to Study Allocations of the Fund for a Healthy Maine

During the First Regular Session of the 125th Legislature, the Health and Human Services Committee heard and considered L.D. 1558, Resolve to Study Allocations of the Fund for a Healthy Maine, which was reported by Representative Meredith Strang Burgess for the Government Oversight Committee. The Committee recommended several changes to the resolve and it was finally passed by the Legislature and signed by the Governor as Resolve 2011, chapter 112. The resolve established the Commission to Study Allocations of the Fund for a Healthy Maine, a 13-member study commission that was directed to review the alignment of allocations from the Fund for a Healthy Maine and report its findings and recommendations, including suggested legislation to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services by December 7, 2011. In performing its duties the Commission was directed to gather information and data from public and private entities as necessary to:

1. Identify or review the State's current public health care and preventive health priorities and goals;
2. Identify or review strategies for addressing priorities and goals and potential effectiveness of those strategies;
3. Assess the level of resources needed to properly pursue the strategies identified above;
4. Make recommendations for how Fund for a Healthy Maine funds should be allocated to most effectively support the State's current public health and preventive health priorities, goals and strategies; and

5. Make recommendations for processes to be used to ensure that Fund for a Healthy Maine allocations stay aligned with the State's health priorities and goals.

II. COMMISSION PROCESS

The Commission to Study the Allocations of the Fund for a Healthy Maine was authorized to hold six meetings. However, as the resolve authorizing the study was not an emergency and some appointments were made in mid-October, it was determined by the chairs of the Commission that the Commission would meet for three full days.

Meeting One

The first meeting took place on November 4, 2011. The Commission reviewed the resolve and the Fund for a Healthy Maine law in Title 22, Maine Revised Statutes, section 1511. Christopher Nolan, of the Office of Fiscal and Program Review, briefed the Commission on the revenues and allocations of the Fund for a Healthy Maine for state fiscal years 2012 and 2013 and provided a historical perspective for spending since the fund was enacted in 2000. The Commission determined that for programs that are paid for in multiple accounts (for example, Family Planning and the Head Start program), they would need to examine all funding sources for those programs in order to determine the proportion of a program that the Fund for a Healthy Maine money represents.

The Commission was briefed by Christopher Taub, Assistant Attorney General regarding the legal background of the tobacco master settlement agreement and current litigation. Mr. Taub explained that states are currently litigating with participating manufacturers as to whether states were diligently enforcing the escrow accounts in 2003. On the day that Mr. Taub briefed the Commission, the companies still contested that Maine was not diligent (12 states had been acknowledged as diligent). Beginning in May 2012, those states contested as not diligent will participate in arbitration with the tobacco manufacturers. If Maine is found not diligent, the state could potentially lose the entire payment for a calendar year depending on how many states are found non-diligent (the fewer states, the greater the burden per state). The next payment is due in April 2012, and there will not be a decision in the litigation before that date.

The Office of the Attorney General was allocated \$111,840 in state fiscal year 2012 and \$119,687 in state fiscal year 2013 from the Fund for a Healthy Maine to enable an Assistant Attorney General to do the work related to the tobacco master settlement agreement. In addition, a paralegal is employed to work on tobacco master settlement agreement issues, with that position funded from the General Fund. Mr. Taub stated that the tobacco master settlement agreement does not restrict the use of settlement money but that during arbitration, states were being asked how much is spent on enforcement. The companies argue that the states are not diligently enforcing the agreement and should forfeit their rights to payments under the agreement.

The resolve establishing the Commission requires the Commission to identify or review the State's current public health care and preventive health priorities and goals in order to determine

whether the allocation of Fund for a Healthy Maine money aligns with those priorities and goals. The Department of Health and Human Services (herein referred to as DHHS) gave an overview to the Commission regarding the state public health care and preventive health priorities and goals and the department's role and strategy. Bonnie Smith, Deputy Commissioner in DHHS, outlined a pilot project with MaineGeneral that will be expanded to all hospitals in which the department worked with 30 high cost emergency department users and saved \$100,000 by giving more appropriate care. The department also outlined wellness programs for older adults that have resulted in reductions in health care expenditures. Keith Wilson, Contract and Compliance Manager for Child and Family Services in DHHS, outlined prevention programs for children including an after school program for 12 to 15 year olds, home visiting, Head Start, Early Head Start and child care. Geoffrey Miller, Associate Director for the Office of Substance Abuse in DHHS, outlined the substance abuse prevention, treatment and intervention services budget and programs funded by the Fund for a Healthy Maine.

Dr. Sheila Pinette, Director of the Department of Health and Human Services, Maine Center for Disease Control and Prevention (CDC), and a Commission member, outlined the philosophy behind the allocations of Fund for a Healthy Maine funds including recouping Medicaid costs of treating tobacco-related illness and reducing the burden of tobacco use. Maine CDC strategic priorities support the funding decisions for state and local level interventions and provide leadership to ensure healthy conditions in which to live. Dr. Pinette outlined the leading causes of death and the preventable causes of death in Maine in 2007. She also outlined the priorities and goals outlined in Healthy Maine 2010 and Healthy People 2020. Dr. Pinette described the six winnable health battles outlined by Tom Freidman of the U.S. CDC, including tobacco use as the number one battle. An extract of this presentation is included as Appendix C. Dr. Pinette explained that the CDC's work is based on public health models incorporating national priorities. She also briefly outlined the programs that received Fund for a Healthy Maine funds including the divisions of local public health, the nine public health districts in Maine and the role of the 27 local Healthy Maine Partnerships. Fund for a Healthy Maine funds are also used for tobacco use prevention, cessation and treatment, programs to combat obesity, oral health, school based health care, family planning services and immunization programs.

The Commission also took public comment at the end of the first meeting. Testimony was given by representatives of the Maine Public Health Association, Friends of the Fund for Healthy Maine, the American Heart Association, the American Lung Association of New England, the Maine Children's Alliance, the Maine Head Start Directors Association and the American Cancer Society.

Meeting Two

The second meeting of the Commission took place on November 17, 2011. At this meeting, the Commission was briefed on the specific allocations from the Fund for a Healthy Maine accounts. Shirrin Blaisdell from the Department of Administrative and Financial Services briefed the Commission on the allocations from the Fund for a Healthy Maine accounts outside of Department of Health and Human Services. Non-DHHS accounts are in the Office of the Attorney General, the Department of Education, the Department of Public Safety, the Finance

Authority of Maine, the Dirigo Health Agency and the Judicial Department. She described the purpose of each program and recent funding history including two years of actual expenditures and two years of allocations for the state fiscal years 2012 and 2013 budget, including initial budget proposals and enacted outcomes. The presentation is included as Appendix D.

Judith Reidt-Parker of the Maine Children's Alliance provided information to the Commission about how Head Start and Early Head Start are funded in other states. Ms. Reidt-Parker stated that 30 states supplement dollars received from the federal government for Head Start and Early Head Start. States use state dollars for different purposes including funding additional slots, extending the day or professional development. Maine has appropriated General Fund dollars since 1983 and allocated Fund for a Healthy Maine dollars since 2000. And yet Maine serves only 10% of the children from birth up to age 3 years old who are eligible for Early Head Start and only 30% of the children from 3 years old through age 5 years old who are eligible for regular Head Start services.

Representatives of DHHS presented information of all programs within the department receiving Fund for a Healthy Maine money. The Department outlined a program description including the number of people and programs receiving funds, what is purchased, how service is delivered and how many staff are employed, four years of spending including the state fiscal years 2012 and 2013 budget, whether Fund for a Healthy Maine funds were used to meet a federal maintenance of effort requirements and federal match requirements, and goals and outcomes for each program. The presentation is included as Appendix E.

Keith Wilson, Contract and Compliance Manager for Child and Family Services in DHHS, presented information on the Home Visiting Program, Head Start and Early Head Start and Child Care. The Commission had extensive discussions on Head Start and Early Head Start asking for further information related to full federal subsidies, the long term benefits of the programs, and whether Maine would lose federal funds if Fund for a Healthy Maine funds were cut from Head Start.

Jennifer Palow, Pharmacy Benefits Manager in the Office of MaineCare Services in DHHS, presented information on the Elderly Low-Cost Drug program. The Commission discussed the benefits to enrollees in the Elderly Low-Cost Drug program and the funding of that program in some detail. Information presented to the Commission separated the funds from the General Fund, those from the tobacco master settlement agreement funds directed to the program through the Fund for a Healthy Maine and those from the slot machine gambling (racino revenues) that are directed to the program through the Fund for a Healthy Maine under Title 8, section 1036, subsection 2, paragraph E.

Geoffrey Miller, Associate Director for the Office of Substance Abuse in DHHS, discussed the accounts in the Substance Abuse program and the Medicaid Match. The Commission asked for more information about programs related to the use of alcohol in colleges and universities.

Kristen McAuley, Senior Health Program Manager in DHHS, Maine CDC, presented information on programs for Oral Health, Donated Dental, Tobacco Prevention, Control and

Treatment, Community/School Grants, Public Health Infrastructure, Family Planning and the Maine Immunization Program. Dr. Peter Smith, Director of Infectious Diseases in DHHS, Maine CDC also provided information on the universal childhood immunization program that provides free vaccinations to all children in Maine. The Commission requested information on the history of the Healthy Maine Partnerships program spending of 50:40:10 (tobacco, obesity, chronic disease) within the Public Health Infrastructure. Members of the Commission were interested in whether the formula had kept up with the rapidly increasing rate of obesity. The Commission was also interested in the U.S. CDC recommended funding levels for state tobacco prevention programs and the basis for those recommendations. This information is attached in Appendix F.

Following the presentation on the Family Planning program by Ms. McAuley and Valerie Ricker, Division Director of the Family Planning Program in DHHS, Maine CDC, the Commission had an extensive discussion of the family planning expansion plan utilized by a number of states under the Affordable Health Care Act but not utilized in Maine. The Medicaid expansion plan would expand access to family planning services to females up to 200% of the federal poverty level. Currently these females are only eligible for MaineCare if they are pregnant; the plan would expand services to these females in order to prevent unintended pregnancies. Kate Brogan of the Family Planning Association of Maine stated that if Maine amended its State Medicaid Plan and provided the state seed money, Maine would receive a 9:1 match. That is \$9 in federal money for each \$1 of state seed match.

During the second meeting, the Commission considered the possibility of the Fund for a Healthy Maine being established as a separate fund similar to the Dirigo Health Enterprise Fund. This would allow the Legislature to view several components for one program together. For example, the MaineCare Medical Assistance to Providers (MAP) account has separate entries for General Fund, Federal Funds, Other Special Revenue funds, American Recovery and Reinvestment Act funds and federal block grant funds but the Fund for a Healthy Maine funding is entered in the budget in a different program. Shirrin Blaisdell, of the Department of Administrative and Financial Services, and Christopher Nolan, of the Office of Fiscal and Program Review, agreed that a separate account would require a reprogramming of the budget but otherwise does not prompt a concern.

At the second meeting, the Commission began its discussions of how it would go about meeting the requirements of the resolve and particularly whether there should be a realignment of program spending of Fund for a Healthy Maine funds. Senator Katz, who was unavailable for the final meeting, stated his view that although many of the Fund for a Healthy Maine programs do a lot of good work, his preference was to use all of the Fund for a Healthy Maine funds for tobacco prevention and cessation and obesity reduction as well as enforcement of the tobacco master settlement agreement by the Office of the Attorney General. Senator Katz stated that all other programs currently funded by Fund for a Healthy Maine should be funded by General Fund dollars rather than Fund for a Healthy Maine dollars. Other members of the Commission argued that public health is broader than smoking cessation and obesity reduction and that the lack of money in the General Fund would result in programs with value falling through the cracks. Senator Katz submitted his recommendations in a memorandum to the Commission for the last meeting, stating that requests for allocations from the Fund for a Healthy Maine for programs

should be evaluated by asking how the programs directly impact tobacco use and how the programs directly impact on the prevalence of obesity within our population. See Appendix G.

The Commission also took public comment at the end of the second meeting. The Commission received testimony from representatives of the Maine Head Start Directors Association, Maine Network of Healthy Communities, the Family Planning Association, Planned Parenthood of Northern Maine, the Maine Equal Justice Project, the Maine Dental Access Coalition and the American Cancer Society.

Meeting Three

The third and last meeting of the Commission took place on November 29, 2011. The chairs of the Commission opened the meeting with an hour of public testimony and received public testimony from representatives of the Maine Children's Trust, the American Lung Association of New England, the Maine Head Start Directors Association, Eastern Maine Healthcare and the Family Planning Association of Maine.

Jan Clarkin of the Maine Children's Trust provided information on home visiting services, clarifying that home visitors are highly trained professionals and but are not required to be registered nurses. The home visiting handout presented at the meeting listed the following highlights for home visiting:

- 93% of children in home visiting families are up to date on their immunizations, which is 20% higher than the statewide immunization rate;
- 94% of expectant mothers in home visiting families receive adequate prenatal care, compared to the statewide rate of 85%;
- 1% of children in home visiting families were victims of substantiated abuse or neglect, compared to the statewide rate of 2.4%;
- Of children in home visiting families who were being exposed to secondhand smoke, 39% were no longer exposed and 29% were less exposed than previously; and
- In home visiting families the Home Safety Assessment improved across all measures, with a 38% improvement in outdoor safety, a 27% improvement in car safety and a 23% improvement in fire prevention.

Edward Miller from the American Lung Association of New England had presented information at an earlier meeting about the smoking cessation initiative undertaken in Massachusetts for Medicaid program members. At the final meeting, he distributed copies of a longitudinal study of that state's tobacco dependence treatments and a presentation by John Auerbach, Commissioner of the Massachusetts Department of Public Health.⁵ The Massachusetts tobacco cessation and prevention program designed a low-barrier, comprehensive benefit for Medicaid recipients with an aggressive public education campaign. The results were dramatic. Smoking among Medicaid members decreased from 38% to 28%, with 33,000 people quitting smoking. Within one year the probability of hospitalization from heart attack decreased 46%, and from

⁵ *Smoking Cessation Works: MassHealth Benefits*, by John Auerbach, Massachusetts Department of Public Health, November 16, 2011.

acute coronary heart disease it decreased 49%. The program was shown to produce a return on investment in one year of \$2.21 for every \$1 spent.

Douglas Orville, representing the Maine Head Start Directors Association, and Judith Reidt-Parker, of the Maine Children's Alliance, provided information that had been requested by the Commission on the benefits of Head Start and Early Head Start. They provided information stated that Head Start program participation results in increased kindergarten readiness and sustained cognitive, social-emotional and health outcomes and an increase in immunization rates from 78% to 91% by the end of a year of participation. Children who had participated in Head Start are 25% less likely to smoke as adults than non-participants, Head Start families use 25% less Medicaid services, and Head Start parents demonstrated increased supportive parenting practices.

Christopher Nolan, of the Office of Fiscal and Program Review, discussed the payment of slot machine revenues to the Fund for a Healthy Maine for use in the Elderly Low-Cost Drug program under Title 8, section 1036, subsection 2, paragraph E and clarified that no revenue will be due from the approval of table gaming in Bangor or the establishment of a new racino in Oxford. Building on information provided on an ongoing basis in the form of pie charts with nine segments for program areas by the Office of Fiscal and Program Review, Christopher Nolan provided information on which program accounts in the biennial budget fit into which of the segments. See Appendix H. He also provided information on the Medicare Buy-In program under the Elderly Low-Cost Drug program that had been provided to the Legislature during the consideration of L.D. 1045, which was finally enacted in the supplemental budget, Public Law 2011, chapter 380.

Several staff members of DHHS provided information requested by the Commission at its prior meetings. A complete copy of the information packet is attached as Appendix I. Therese Cahill-Low, Director of the Office of Child and Family Services in DHHS, spoke on home visiting, Head Start, Early Head Start, afterschool programs for 12 to 15 year olds, child care subsidies and maintenance of effort issues. Geoffrey Miller, Associate Director for the Office of Substance Abuse in DHHS, provided information on MaineCare and non-MaineCare substance abuse services, substance abuse funding at the campuses of Maine's colleges and universities, outcomes and performance measures and maintenance of effort issues. He also provided information on the cost of substance abuse in Maine in crime, death, medical care, injury, treatment and other costs, attached as Appendix J. Debra Wigand and Valerie Ricker, of the DHHS, Maine CDC, spoke with the Commission in response to questions regarding the Healthy Maine Partnerships' priority areas for activities, the 50:40:10 (tobacco, obesity, chronic disease) focus and maintenance of effort requirements in programs funded in whole or in part by the Fund for a Healthy Maine through the Maine CDC. See Appendix K. Megan Hannan, of the Planned Parenthood of Northern New England, and Kate Brogan, of the Family Planning Association, assisted Debra Wigand with the presentation of information of the funding of family planning services and on the possibility of a Medicaid State Plan amendment to expand Medicaid eligibility and provide family planning services to females below 200% of the federal poverty level using the 9 to 1 federal financial participation that is now available to the states.

Having completed the collection of information on the Fund for a Healthy Maine and programs funded by the fund in whole or in part, the Commission began discussion and deliberation on recommendations to forward to the Legislature in its report. Committee discussions on recommendations included whether to move funds from Head Start or the Donated Dental program into the Substance Abuse program given increasing issues surrounding substance abuse in Maine but this issue was not brought to a Commission vote. One Commission member was absent from the final meeting. Therefore the votes recorded are for the recommendations are of the 12 members present.

III. RECOMMENDATIONS

The following recommendations by the 12 members of the Commission who were present were made unanimously except for recommendation 4, which was supported by a vote of 9 to 3. Suggested legislation to accomplish the recommendations of the Commission is attached as Appendix L.

- 1. Change the Fund for a Healthy Maine to a separate fund.** Amend the Fund for a Healthy Maine law to change the Fund for a Healthy Maine from a group of programs within Other Special Revenue Funds to a separate fund. Maintain current law on revenues paid into the fund.
- 2. Include health promotion and prevention and overweight and obesity to the list of health purposes for the Fund for a Healthy Maine.** Amend the Fund for a Healthy Maine law to broaden “health-related purposes” to “prevention and health promotion purposes.” Also amend the list of prevention and health promotion purposes to include overweight and obesity prevention, education and treatment activities.
- 3. Require separate accounts and annual reporting about the use of Fund for a Healthy Maine funds.** Amend the Fund for a Healthy Maine law to require contractors, vendors and state agencies receiving funding from the Fund for a Healthy Maine to maintain money received from the Fund for a Healthy Maine in separate accounts and shall to provide a description of how Fund for a Healthy Maine funds for the prior state fiscal year were targeted to the prevention and health promotion purposes specified in the law. Require the Commissioner of Administrative and Financial Services to compile reports and forward information to the Legislature annually.
- 4. Require Health and Human Services Committee review of Fund for a Healthy Maine legislation.** Amend the Fund for a Healthy Maine law to require review by the joint standing committee having jurisdiction over health and human services matters of all legislative proposals that affect the Fund for a Healthy Maine that have majority support in the committee to which the legislation was referred. This mirrors the provision currently in Joint Rule 317. This recommendation was adopted by a majority vote of 9 to 3. The minority supported continuing to impose review requirements under Joint Rule 317.

5. **Require study commission review of Fund for a Healthy Maine allocations every four years.** Amend the Fund for a Healthy Maine statute to require the Legislature to establish a study commission to review allocations of the Fund for a Healthy Maine beginning in 2015 and every 4 years thereafter. The composition and duties of the commission would mirror the current commission under Resolve 2011, chapter 112.
6. **Recommendations regarding separate program accounts.** Direct the Commissioner of Administrative and Financial Services to review program structure for the programs of the Fund for a Healthy Maine and to recommend a new program structure, including a program for overweight and obesity prevention, education and treatment, beginning in state fiscal year 2014-2015. Funding for the new overweight and obesity program is from funding currently provided for this purpose under existing programs. This recommendation was adopted unanimously.
7. **Issue a statement of support for funding continued enforcement by the Office of the Attorney General.** Include in the recommendations of the Commission a statement of support for continued funding for the Office of the Attorney General from the Fund for a Healthy Maine to enable the office to continue diligent enforcement of the tobacco master settlement agreement in accordance with the requirements of Title 22, chapter 263, subchapters 3 and 4. This recommendation was adopted unanimously.
8. **Issue a statement of support for investments in public health and prevention and for the original intent of the funding.** Include in the recommendations of the Commission a statement that the Commission recognizes the importance of investments in public health and prevention and believes that the original intent of the funding should be maintained and efforts should be made to eliminate health disparities. The statement will also include the following: “Access to adequate health coverage and support for building relationships with health care providers and the health care system are critical to the individual’s ability to access important prevention, education and treatment resources related to smoking and tobacco, overweight and obesity, prenatal and young children’s care, child care, health care, prescription drugs, dental and oral health care, substance abuse, school health and nutrition programs and counseling on ways to improve individual health behaviors.” This recommendation was adopted unanimously.

Two proposals were discussed by the Commission and received support from a minority of members.

1. **Shift Fund for a Healthy Maine funding from family planning services to the child care subsidy program and consider a Medicaid State Plan amendment for family planning services with enhanced federal financial participation.** Deallocate \$401,430 from FHM-Family Planning for state fiscal year 2012-2013, reallocate that funding to FHM-Purchased Social Services program for the child care subsidy program to enable the program to maximize matching federal block grant funds. In conjunction with the shift of funding, encourage the Appropriations and Financial Affairs Committee to consider a family planning Medicaid State Plan amendment. The family planning Medicaid

expansion would expand access to family planning services to females up to 200% of the federal poverty level while taking advantage of the enhanced 9 to 1 federal match rate, which will make up for the lost Fund for a Healthy Maine funding. This proposal was supported by 4 members of the Commission and opposed by 8 members.

- 2. Raise tobacco and alcohol taxes and direct the revenues to prevention, education and treatment services.** Raise tobacco and alcohol taxes to help to meet the costs of addiction, directing revenues from the increased taxes to the General Fund to support substance abuse prevention, education and treatment services. This proposal was supported by 4 members of the Commission and opposed by 5 members. Two members abstained from voting.

APPENDIX A

Resolve 2011, chapter 112 – Resolve, To Study Allocations of the Fund for a Healthy Maine

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND AND ELEVEN

H.P. 1144 - L.D. 1558

Resolve, To Study Allocations of the Fund for a Healthy Maine

Sec. 1. Commission established. Resolved: That the Commission To Study Allocations of the Fund for a Healthy Maine, referred to in this resolve as "the commission," is established; and be it further

Sec. 2. Commission membership. Resolved: That the commission consists of no more than 13 members appointed as follows:

1. The President of the Senate shall:

A. Appoint 3 members of the Senate, including a member from each of the 2 parties holding the largest number of seats in the Legislature. At least one of the appointees must serve on the Joint Standing Committee on Appropriations and Financial Affairs and at least one of the appointees must serve on the Joint Standing Committee on Health and Human Services; and

B. Appoint one person representing municipal public health departments and one person representing a major voluntary nonprofit health organization; and

2. The Speaker of the House of Representatives shall:

A. Appoint 4 members of the House of Representatives, including members from each of the 2 parties holding the largest number of seats in the Legislature. At least one of the appointees must serve on the Joint Standing Committee on Appropriations and Financial Affairs and at least one of the appointees must serve on the Joint Standing Committee on Health and Human Services; and

B. One person representing a statewide organization of public health professionals, one person representing a public health organization or agency operating in a rural community, one person representing the organizations providing services supported by funds from the Fund for a Healthy Maine and one person who possesses expertise in the subject matter of the study under this resolve; and be it further

Sec. 3. Chairs. Resolved: That the first-named Senate member is the Senate chair and the first-named House of Representatives member is the House chair of the commission; and be it further

Sec. 4. Appointments; convening of commission. Resolved: That all appointments must be made no later than 10 days following the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been made. The chairs of the commission shall call and convene the first meeting of the commission within 15 days of the effective date of this resolve. If a majority of but not all appointments have been made within 10 days of the effective date of this resolve, the chairs may request authority and the Legislative Council may grant authority for the commission to meet and conduct its business; and be it further

Sec. 5. Meetings. Resolved: That the commission may meet only when the Legislature is not in regular or special session. The commission is authorized to meet up to 6 times to accomplish its duties; and be it further

Sec. 6. Duties. Resolved: That the commission shall review the alignment of allocations from the Fund for a Healthy Maine, established in the Maine Revised Statutes, Title 22, section 1511, with the State's current public health care and preventive health priorities and goals. The commission shall gather information and data from public and private entities as necessary to:

1. Identify or review the State's current public health care and preventive health priorities and goals;

2. Identify or review strategies for addressing priorities and goals and potential effectiveness of those strategies;

3. Assess the level of resources needed to properly pursue the strategies identified in subsection 2;

4. Make recommendations for how Fund for a Healthy Maine funds should be allocated to most effectively support the State's current public health and preventive health priorities, goals and strategies; and

5. Make recommendations for processes to be used to ensure that Fund for a Healthy Maine allocations stay aligned with the State's health priorities and goals; and be it further

Sec. 7. Cooperation. Resolved: That the Commissioner of Administrative and Financial Services, the Commissioner of Education, the Commissioner of Health and Human Services and the Director of the Maine Center for Disease Control and Prevention within the Department of Health and Human Services shall provide information and data to the commission as necessary for its work; and be it further

Sec. 8. Staff assistance. Resolved: That the Legislative Council shall provide necessary staffing services to the commission; and be it further

Sec. 9. Report. Resolved: That, no later than December 7, 2011, the commission shall submit a report that includes its findings and recommendations, including suggested legislation, to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services; and be it further

Sec. 10. Transfer of funds; Office of Program Evaluation and Government Accountability, General Fund. Resolved: That, on the effective date of this resolve, the State Controller shall transfer \$6,960 from the Office of Program Evaluation and Government Accountability, General Fund account to the Miscellaneous Studies Legislative, General Fund account in the Legislature to fund the costs of the study.

APPENDIX B

**Membership list, Commission to Study Allocations
of the Fund for a Healthy Maine**

Commission to Study Allocations of the Fund for a Healthy Maine

Resolve 2011, Chapter 112

Wednesday, December 7, 2011

Appointment(s) by the President

Sen. Earle L. McCormick - Chair
633 Hallowell Litchfield Road
West Gardiner, ME 04345
207 724-3228

Senate Member

Sen. Margaret M. Craven
41 Russell St
Lewiston, ME 04240
207 783-1897

Senate Members

Sen. Roger Katz
3 Westview Street
Augusta, ME 04330
207 622-3711

Senate Members

Susan Tidd
140 Wyman Road
Benton, ME 04901
207 877-4431

Representing a Major Voluntary Nonprofit Health
Organization

Shawn Yardley
City of Bangor Health and Community Services
103 Texas Ave.
Bangor, ME 04401
207 299-7863

Representing Municipal Public Health Departments

Appointment(s) by the Speaker

Rep. Deborah J. Sanderson - Chair

64 Whittier Drive
Chelsea, ME 04330
207 376-7515

House Members

Rep. Tyler Clark

P.O. Box 243
Easton, ME 04740
207 227-6971

House Members

Rep. Mark Eves

78 Madison St
No Berwick, ME 03906
207 850-0516

House Members

Rep. Meredith N. Strang Burgess

155 Tuttle Road
Cumberland, ME 04021
207 775-5227

House Members

Dr. Joel A. Kase

36 Waters Edge Drive
Lewiston, ME 04240
207 281-3665

Representing a Statewide Organization of Public Health Professionals

Dr. Sheila G. Pinette

Maine CDC
11 State House Station
Augusta, Maine 04333
207 287-3266

Individual with Expertise in Allocations of the Fund for a Healthy Maine

Lisa C. Kavanaugh

41 N. Shore Lane
Winthrop, ME 04364

Representing a Public Health Organization or Agency in a Rural Community

Thomas M. Kivler

99 Loring Lane
Pownal, ME 04069
207 373-6972

Representing Organizations Providing Services Funded from the Fund for a Healthy Maine

Staff:

Jane Orbeton 287-1670
OPLA

Anna Broome 287-1670
OPLA

APPENDIX C

**Extract of November 4, 2011 Presentation of Department of Health and Human Services,
Maine Center for Disease Control and Prevention, public health goals**

**Extract of November 4, 2011 Presentation of DHHS,
Maine Center for Disease Control and Prevention**

By Jane Orbeton, Office of Policy and Legal Analysis

1. US DHHS, Four Overarching Goals of Healthy People 2020

- Attaining high-quality, longer lives
- Achieving health equity
- Creating environments that promote good health
- Promoting quality of life and healthy development and behaviors across all life stages

2. Maine DHHS Shared Goals Related to Healthy Maine 2010

- a. Access to quality health care, disease prevention and health promotion
- b. Chronic disease
- c. Environmental health
- d. Reproductive health
- e. Infectious disease and immunization
- f. Injury prevention
- g. Mental health
- h. Occupational health
- i. Physical activity and nutrition
- j. Substance abuse prevention
- k. Identify disparities in outcomes among all populations
- l. Direct resources toward reducing or eliminating inequalities in health outcomes
- m. Levels of prevention activities

3. Maine DHHS Strategies to Improve Health Outcomes

- a. Build community capacity
- b. Build state and local public health capacity
- c. Workforce development
- d. Access to community prevention interventions
- e. Access to health and dental insurance
- f. Reducing barriers to high quality care
- g. Improving quality of health care systems

Information from Dr. Thomas Freiden, US DHHS, Center for Disease Control and Prevention	
“Winnable Health Battles”	“5-Tier Health Impact Pyramid”
Healthcare-associated infections	Counseling and education
HIV in the US	Clinical interventions
Motor vehicle injuries	Long lasting protective interventions
Nutrition, physical activity and obesity	Changes in environmental context
Teen pregnancy	Changes in socioeconomic factors
Tobacco use	

APPENDIX D

**Non-Department of Health and Human Services programs funded by
Fund for a Healthy Maine funds, November 17, 2011**

Department of the Attorney General
 FHM – Attorney General
 Account 014-26A-0947-01

The FHM – Attorney General program funds one full-time Assistant Attorney General position to: (1) defend Maine’s entitlement to full payments under the tobacco Master Settlement Agreement (“MSA”) against challenges by participating tobacco manufacturers; (2) enforce the provisions of the MSA, including public health restrictions such as the ban on youth targeting; and (3) enforce Maine’s statute requiring escrow payments from non-participating manufacturers, Maine’s directory statute, Maine’s retail licensing laws, and Maine’s reduced ignition propensity statute. The position is critical to Maine’s meeting the diligent enforcement requirement of the MSA, which the participating manufacturers have challenged and are expected to continue to challenge in their ongoing effort to substantially reduce the amount of their payments to the State.

Recent funding history is reflected below.

Line Category	FY 2009-10 Actual Expenditures	FY 2010-11 Actual Expenditures	FY 2011-12 Allocations	FY 2012-13 Allocations
Personal Services	115,029	121,290	87,738	95,424
All Other	21,102	22,553	24,102	24,263
TOTAL	136,131	143,843	111,840	119,687

Up until the current fiscal year, Personal Services funding was provided to cover the salary and benefits of 1.5 attorney positions. The half-time position was eliminated in PL 2011, c. 380, Part RRR. All Other expenditures are incurred primarily in the areas of contractual services, travel, staff training, information technology and for the state’s indirect cost allocation assessment.

Dirigo Health
 FHM – Dirigo Health
 Account 014-95D-Z070-01

The FHM – Dirigo Health program began receiving Fund for a Healthy Maine allocations in fiscal year 2008-09. Funds were to be used for the purposes of the Dirigo Health Program which was established to arrange for the provision of comprehensive, affordable health care coverage to eligible small employers, including the self-employed, their employees and dependents, and individuals on a voluntary basis and to monitor and improve the quality of health care in this State. Funds currently allocated to the FHM – Dirigo Health program are used solely to support access to the DirigoChoice product for members with nominal assets and household incomes under 300% of the federal poverty limit. Current biennium allocations will support approximately 385 members.

Recent program history is reflected below.

	FY 2009-10 Actual Expenditures	FY 2010-11 Actual Expenditures	FY 2011-12 Allocations	FY 2012-13 Allocations
All Other	4,683,443	4,441,791	1,161,647	1,161,647
TOTAL	4,683,443	4,441,791	1,161,647	1,161,647

The Governor’s proposed 2012-2013 biennial budget included an initiative to end Fund for a Healthy Maine allocations for the FHM – Dirigo Health program. The final biennial budget bill enacted by the Legislature, Public Law 2011, c. 380 included allocations for this program, although at a reduced level.

Department of Education
 FHM – School Nurse Consultant
 Account 014-05A-0949-10

The purpose of the FHM - School Nurse Consultant program is to provide ongoing consultation, policy development and technical assistance to the nearly 400 school nurses across the State. School nurses in Maine provide health services to students in order to assist them to be ready to learn. With changes in Federal regulations that require students to be educated in the least restrictive environment, many medically fragile students are now attending school. There are increasing numbers of students in school with diabetes, asthma and other chronic health conditions. School nurses are responsible for the health services provided to all students, are involved with environmental health and public health issues of the school, and work with school, parents and community health providers to improve the health of students.

Specifically the school nurse consultant: serves as a liaison and resource expert in school nursing and school health care program areas; monitors, interprets, synthesizes and disseminates relevant information; fosters and promotes staff development for school nurses; and gathers and analyzes data relevant to the school health care program and monitors standards to promote school nursing excellence and optimal health of school children.

The FHM allocation provided funding for the salary and benefits of one Education Specialist III position and related operating costs including staff travel, information technology charges and the state's indirect cost allocation assessment.

Recent funding history is reflected below.

	FY 2009-10 Actual Expenditures	FY 2010-11 Actual Expenditures	FY 2011-12 Allocations	FY 2012-13 Allocations
Positions - Legislative Count	1.000	1.000	0.000	0.000
Personal Services	92,871	90,353	0	0
All Other	6,503	6,525	0	0
TOTAL	99,374	96,878	0	0

The Governor's proposed 2012-2013 biennial budget included an initiative to end Fund for a Healthy Maine allocations for the FHM – School Nurse Consultant program. This funding reduction was enacted in PL 2011, c. 380; however, the Department of Education was able to identify funding available from the American Recovery and Reinvestment Act of 2009 to create a limited-period position to provide these services for the 2012-2013 biennium. The department is currently exploring federal funding opportunities to continue the position beyond the 2012-2013 biennium.

Department of Education
 FHM – School Breakfast Program
 Account 014-05A-Z068-01

The FHM – School Breakfast Program provides funds to reimburse local school units that provide breakfasts to those students eligible for the reduced-price breakfast benefit for the cost of the breakfast. PL 2007, chapter 539, Part III enacted provisions that require public schools that serve breakfast to provide breakfast to students who are eligible for free and reduced-price meals at no cost to the student. The State is required to provide funding to the schools for the difference between the federal reimbursement for a free breakfast and the federal reimbursement for a reduced-price breakfast for each student eligible for a reduced-price breakfast and receiving breakfast. This same law provided Fund for a Healthy Maine allocations, beginning in fiscal year 2008-09, for this purpose.

Recent funding history is reflected below.

	FY 2009-10 Actual Expenditures	FY 2010-11 Actual Expenditures	FY 2011-12 Allocations	FY 2012-13 Allocations
All Other	168,610	162,474	213,720	213,720
TOTAL	168,610	162,474	213,720	213,720

The Department of Education reimburses school administrative units on a monthly basis. Approximately 165 school units receive reimbursement annually. The department estimates that approximately 701,000 breakfasts are subsidized annually. Fund for a Healthy Maine resources provided in fiscal years 2009-10 and 2010-11 were not sufficient to cover all required costs. For FY 10, additional expenditures of \$35,990 were paid from available Other Special Revenue Funds resources. For FY 2010-11, a General Fund appropriation of \$50,000 was provided to cover the additional costs of which \$39,016 was expended to cover the required program costs. Due to the historical cost trend, effective with fiscal year 2011-12, it was determined that additional allocations were required to meet funding requirements; these allocations were provided in Public Law 2011, chapter 380.

Finance Authority of Maine
 FHM – Health Education Centers
 Account 014-94F-0950-02

The goal of the FHM – Health Education Centers program is to attract and retain health care personnel in underserved areas of the state and to provide services to underserved cultural groups through educational system incentives. To meet this goal, the Finance Authority of Maine contracts with the University of New England to: provide continuing education courses to promote professional development for rural health professionals; provide clinical placements for health professions students in rural and underserved areas; and expose students in rural areas to health professions through career awareness programs and other educational experiences.

Recent funding history is reflected below.

	FY 2009-10 Actual Expenditures	FY 2010-11 Actual Expenditures	FY 2011-12 Allocations	FY 2012-13 Allocations
All Other	112,040	106,260	100,353	100,353
TOTAL	112,040	106,260	100,353	100,353

The Governor’s proposed 2012-2013 budget proposed to eliminate funding for this program. However, the budget as enacted by the Legislature as Public Law 2011, c. 380 did continue funding for fiscal years 2011-12 and 2012-13 at levels slightly less than what was provided for fiscal year 2010-11.

Finance Authority of Maine
FHM – Dental Education
Account 014-94F-0951-01

The FHM – Dental Education program, the goal of which is to increase the number of dentists practicing in Maine in underserved areas or for underserved populations, is administered by the Finance Authority of Maine. There are two components of the program: The Maine Dental Education Loan Program provides forgivable loans to Maine residents pursuing postgraduate dental education, the goal of which is to increase the number of dentists practicing in Maine in underserved areas or for underserved populations; the Maine Dental Education Loan Repayment Program provides loan repayment assistance for dentists practicing general dentistry in eligible dental care facilities in underserved areas of the state of Maine.

Any Maine resident who is pursuing a career as a dentist and intends to practice primary dental care in an eligible dental care facility in an underserved area in Maine is eligible to apply for a loan under the Maine Dental Education Loan Program. In addition, an applicant must be Maine resident, for purposes other than education, for a minimum of two years prior to matriculation into dental school and must be admitted to a program of dentistry at an accredited institution of dental education, leading to a D.M.D. or D.D.S degree. Loans of up to \$20,000 per year may be awarded, with a maximum aggregate amount of \$80,000. Disbursement of loan funds is made directly to the dental school.

Certain loan program recipients may be granted loan forgiveness. Upon compliance with all necessary procedures, loan recipients practicing in underserved areas will be forgiven 25 percent of their original indebtedness on an annual basis. Loans, plus any accrued interest, must be repaid if a loan recipient is not eligible for forgiveness. If the loan recipient returns to Maine but does not enter an eligible underserved practice, the loan will have to be repaid at an annual rate of interest applicable to Stafford loans at the time of the recipient's original note. The recipient may receive a reduction of ½ percent or 1 percent, dependent on the type of practice they maintain. If the loan recipient does not return to Maine to practice, the loan will have to be repaid with interest at 1.5 percent above the Stafford Loan rate over a ten-year period.

Any dentist licensed to practice in Maine who is employed in or intends to establish a qualified practice, has qualifying outstanding dental education loans, and is not under agreement for loan repayment from a program funded by the National Health Service Corps, is eligible to apply for the Maine Dental Education Loan Repayment Program. The dentist does not have to establish prior Maine residency. Up to \$20,000 per year of loan repayment may be awarded with a maximum aggregate amount of \$80,000. Funds are disbursed directly to the dentist for payment toward outstanding dental education loans. Evidence of payment of outstanding education loans must be provided to receive subsequent disbursements.

Recent funding history is reflected below:

	FY 2009-10 Actual Expenditures	FY 2010-11 Actual Expenditures	FY 2011-12 Allocations	FY 2012-13 Allocations
All Other	265,428	251,735	237,740	237,740
TOTAL	265,428	251,735	237,740	237,740

	<u>FY10 Actual</u>	<u>FY11 Actual</u>	<u>FY12 Projected</u>	<u>FY13 Projected</u>
Loans Awarded	7	10	8	8
Loan Repayments Awarded	5	2	3	3

Since program's inception, 38 awards, 24 loans and 14 loan repayments have been funded.

Beginning in fiscal year 2000-01 and ending in fiscal year 2007-08, FAME was required annually to award up to three loans or loan repayment agreements annually up to an aggregate of twelve. Beginning in FY 2008-09, FAME is required to award up to three loans or loan repayment agreements annually, and may award additional loans or loan repayment agreements annually as funds permit.

Finance Authority of Maine
 FHM – Quality Child Care
 Account 014-94F-0952-03

The goal of the FHM – Quality Child Care program was to increase the skills of people working in childcare by providing educational grants for related education. Scholarships were awarded to eligible Maine residents enrolled in postsecondary courses related to early childhood education or child development. Funds for these scholarships were provided by FAME to participating Maine institutions to award to eligible students on an annual basis. FAME was authorized set aside up to 10 percent of available funding as a reserve to help non-degree students and for students attending out-of-state schools. Scholarships amounts were up to \$500 per course within an eligible program of study, for a maximum of two courses per semester and up to a maximum of \$2,000 per student per year. To be eligible for the program, a student needed to be a Maine resident, a United States Citizen or eligible non-citizen, a graduate of an approved secondary school or have successfully completed a general education development examination or its equivalent, must have been accepted for enrollment in an eligible program of study, and must have demonstrated the required financial need.

Recent funding history is reflected below:

	FY 2009-10 Actual Expenditures	FY 2010-11 Actual Expenditures	FY 2011-12 Allocations	FY 2012-13 Allocations
All Other	160,358	152,084	0	0
TOTAL	160,358	152,084	0	0

	FY10 Actual	FY11 Actual	FY12 Projected	FY13 Projected
Grants Awarded	276	176	-0-	-0-

The 2012-2013 biennial budget proposed by the Governor and enacted by the Legislature as Public Law 2011, chapter 380, eliminated Fund for a Healthy Maine allocations for this program effective with fiscal year 2011-12.

Judicial Department
 FHM – Judicial Department
 Account 014-40A-0963-01

The Judicial Branch has the authority to establish alcohol and drug treatment programs in the Superior and District Courts in accordance with the Maine Revised Statutes, Title 4, section 421. Allocations to the FHM – Judicial Department program were used to fund the salary of a Coordinator of Diversion and Rehabilitation Programs to assist the Judicial Branch to establish, staff, coordinate, operate and evaluate diversion and rehabilitation programs throughout the courts. Specifically the Coordinator works with all adult drug courts, serves as the liaison with parties involved in drug court cases; problem solve with the courts; and writes grants to obtain additional resources and administers the grants received.

Recent funding history is reflected below.

Line Category	FY 2009-10 Actual Expenditures	FY 2010-11 Actual Expenditures	FY 2011-12 Allocations	FY 2012-13 Allocations
Positions - Legislative Count	1,000	1,000	0.000	0.000
Personal Services	113,913	107,294	0	0
All Other	722	829	0	0
TOTAL	114,635	108,123	0	0

Personal Services allocations provided for the salary and fringe benefits of the Coordinator position. All Other allocations represent the state's indirect cost allocation assessment.

The Governor's proposed 2012-2013 biennial budget included an initiative to end Fund for a Healthy Maine allocations for the FHM – Judicial Department program. This funding reduction was enacted in PL 2011, c. 380; however, the Judicial Department was able to identify alternative sources of funding to continue the Coordinator position.

Department of Public Safety
 FHM – Fire Marshal
 Account 014-16A-0964-01

Allocations for the FHM – Fire Marshal program were provided to support staff for the purpose of conducting fire safety inspections of child care facilities seeking new or renewed licenses. Personal Services allocations supported the salary and fringe benefits 3 Public Safety Inspector II positions and a portion of the cost of an Office Assistant II position. There were approximately 3,736 fire safety inspections conducted for the Department of Health and Human Services during SFY2011.

Recent funding history is reflected below:

Line Category	FY 2009-10 Actual Expenditures	FY 2010-11 Actual Expenditures	FY 2011-12 Allocations	FY 2012-13 Allocations
Positions - Legislative Count	3,000	3,000	0.000	0.000
Personal Services	237,637	242,439	0	0
All Other	13,227	8,645	0	0
Supplemental AO Allocation	1,140,780			
TOTAL	1,391,644	251,084	0	0

Allocations for All Other generally support staff travel and information technology expenses and the state's indirect cost allocation assessment. In FY 2009-10, a one-time FHM allocation of \$1,140,780 was also provided to the program to pay an accrued balance due to the Fire Marshal's Office related to mandatory inspections of Department of Health and Human Services facilities that provide services to children.

The Governor's proposed 2012-2013 biennial budget included an initiative to end Fund for a Healthy Maine allocations for the FHM – Fire Marshal program. The final 2012-2013 biennial budget instead provided General Fund appropriations to the State Fire Marshal to fund this program.