

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

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

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

**Hearing Date: March 6, 2019**

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

On Monday, I provided an overview of the Governor’s Budget, her health and human services priorities, and details of initiatives and the baselines in the Department’s administration, social services and public health. Yesterday, I reviewed four areas: substance use disorders and mental health services; programs for people with developmental disabilities; programs for people with brain injury; and children’s services. This morning, I will discuss the Department of Health and Human Services’ MaineCare or Medicaid payments to hospitals and physicians and eligibility initiatives.

**Hospitals and Physicians**

I will begin on page A-282 in the Medical Care – Payments to Providers program. This program funds Medicaid services administered by the Office of MaineCare Services.

**CA2107** The first initiative within this program, on page A-282, provides funding for an increase in rates for Federally Qualified Health Center (FQHC) and Rural Health Clinics (RHC) as required by the Centers for Medicare and Medicaid Services (CMS). The annual CMS rate increase for January 1, 2020 is 1.2%. This initiative increases General Fund - All Other by \$225,456 in FY20 and \$455,883 in FY21 and provides an allocation in Federal Expenditures Fund - All Other of \$400,462 in FY20 and \$803,463 in FY21.

**CA7216** The next initiative within this program, on page A-284, adjusts funding between the General Fund and the Other Special Revenue Funds related to rebasing the hospital tax from fiscal year 2013-14 to 2015-16. This initiative reduces the General Fund - All Other by \$13,279,871 in FY20 and \$13,279,871 in FY21 and increases the Other Special Revenue Funds - All Other allocation by \$13,279,871 in FY20 and \$13,279,871 in FY21.

**CA7206** The next initiative within this program, on page A-283, provides funding for supplemental payments to providers which will increase along with the hospital tax rebasing. This initiative increases General Fund - All Other by \$3,893,174 in FY20 and \$4,056,761 in FY21 and increases the allocation in Federal Expenditures Fund - All Other by \$6,915,194 in FY20 and \$7,149,761 in FY21.

**CA7217** The next initiative within this program, on page A-284, provides funding for the reimbursement of chiropractic evaluations and management examinations under the MaineCare program per Public Law 2017, chapter 421. This law provided funding to cover 9 months of services in . This initiative provides funding to cover the costs for a complete year for both fiscal years 2019-20 and 2020-21. This initiative increases General Fund - All Other by \$22,578 in FY20 and \$22,578 in FY21 and increases the allocation in Federal Expenditures Fund - All Other by \$40,685 in FY20 and \$40,685 in FY21.

**CA7218** The last initiative within this program, on page A-284, provides funding for the reimbursement to hospitals other than critical access hospitals for each day after the 10<sup>th</sup> day that a MaineCare-eligible individual is in the care of a hospital while awaiting placement in a nursing facility, per Public Law 2017, chapter 454. This law provided funding to cover 6 months of services in This initiative provides funding to cover the costs for a complete year for both fiscal years 2019-20 and 2020-21 This initiative increases General Fund - All Other by \$17,700 in FY20 and \$17,700 in FY21 and increases the allocation in Federal Expenditures Fund - All Other by \$31,922 in FY20 and \$31,922 in FY21.

### **Language**

**Page 82L, Part EEE:** This part updates the base year for the hospital tax. For state fiscal years beginning on or after July 1, 2019, for the biennium beginning on July 1, 2019, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2016, and subsequently for each biennium, the hospital taxable year is updated to the next even-numbered calendar year. Regularly rebasing this tax will provide greater certainty for hospitals and sustainability for MaineCare.

### **MaineCare Eligibility**

**CA7220** This initiative, on page A-284, provides funding in the Medical Care – Payments to Providers program for the increase in Medicaid claims related to the implementation of Medicaid expansion. This initiative provides General Fund All Other of \$68,824,012 in FY20 and \$77,874,303 in FY21 and provides Federal Expenditures Fund All Other allocation of \$413,372,187 in FY20 and \$417,145,427 in FY21.

### **Language**

**Page 78L, Part BBB:** This part codifies two types of eligibility and benefits that Maine already provides in its regulations. The first section requires the Department to provide Medicaid coverage to 19 and 20 year olds, which is an optional coverage group under federal requirements. The second section requires the Department to provide eligibility and benefits under the Medicare buy-in

program. This part also raises income limits for the categories of buy-in above the levels currently established in rule. The budget implications of this change will be discussed this afternoon.

**Page 88L, Part KKK:** This part gives the Department authority to conduct a study on the new Medicaid expansion population. As discussed yesterday, this will help assess and quantify how the expansion affects uncompensated care costs, health system revenue, and private insurance premiums. Its results, produced by experts, will inform the ongoing work to ensure MaineCare is sustainable.

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