

## OFPR Expenditure Review through 1st Quarter SFY 2020

### MaineCare Expenditure Detail through 1st Quarter of SFY 2020

MaineCare Expenditure Table 1 uses expenditure data from the State’s financial warehouse (MFASIS) through 3 months of FY 2020 to compare MaineCare expenditures by expenditure category for the last three fiscal years. MaineCare “All Funds” spending through 3 months of FY 2020 increased by \$104.7 million from FY 2019 to FY 2020. As detailed in MaineCare Table 1, FY 2020 spending through 3 months increased in the hospital services, HCBS waivers, pharmacy, clinic services and transportation services expenditure categories; and decreased in the Medicare crossover payments and certified seed expenditure categories. These increases were expected due to two items: 1) Medicaid expansion began in January of 2019 with a total cost of \$65,179,628 in the 1<sup>st</sup> quarter of SFY 2020 and 2) Rate increases to multiple services during the 128th legislature effective July 1, 2019 that did not begin until the 2nd quarter of SFY 2019. See “Outline of All Funds Expenditure Increases in 1st Quarter SFY 2020” outline below for a detailed breakdown.

FY 2020 MaineCare “All Funds” spending through 3 months increased by 15.5% over last year’s spending. MaineCare Expenditure Table 1 also shows that aggregate General Fund expenditures through 3 months of FY 2020 increased by 32.4% compared to FY 2019. This increase was expected due to three items: 1) Medicaid expansion began in January of 2019 with a total General Fund cost of \$6,235,532 in the 1<sup>st</sup> quarter of SFY 2020, 2) Rate increases to multiple services during the 128th legislature effective July 1, 2019 that did not begin until the 2nd quarter of SFY 2019 and 3) multiple journal entries to transfer funds from the federal MaineCare account into a General Fund MaineCare account, causing an increase in General Fund expenditures. This transfer was made due to multiple disallowances of Riverview Psychiatric Center Disproportionate Share funding. See “Outline of General Fund Expenditure Increases in 1st Quarter SFY 2020” outline below for a detailed breakdown. MaineCare Expenditure Table 2 below shows the percent increase by expenditure category without the Medicaid Expansion expenditures, for a better comparison of year to year expenditures.

**MaineCare Expenditure Table 1.**

#### MaineCare and Related Expenditures Detail Through 3 Months

*All Funds - Through 3 Months*

Expenditure Categories	FY 2018	FY 2019	FY 2020	Chgs. FY 2019 to FY 2020	
	3 Months	3 Months	3 Months	\$	%
1 Hospital Services	\$137,345,050	\$127,338,301	\$157,567,099	\$30,228,798	23.7%
2 Residential Care	\$141,299,852	\$158,281,225	\$167,401,899	\$9,120,674	5.8%
3 HCBS Waivers	\$101,821,623	\$103,946,634	\$136,140,290	\$32,193,655	31.0%
4 Pharmacy and Related	\$94,803,151	\$87,695,302	\$102,520,392	\$14,825,090	16.9%
5 Medical Professionals	\$35,419,659	\$35,751,427	\$41,612,454	\$5,861,027	16.4%
6 Medicare Crossover Payments	\$23,457,430	\$23,255,445	\$22,229,115	(\$1,026,330)	-4.4%
7 Mental Health Services	\$72,285,374	\$73,725,553	\$78,660,259	\$4,934,706	6.7%
8 Clinic Services	\$12,099,820	\$12,450,278	\$15,982,645	\$3,532,367	28.4%
9 Home Health	\$11,772,386	\$12,318,796	\$12,667,025	\$348,230	2.8%
10 Rehabilitation Services	\$5,257,763	\$5,362,135	\$5,887,069	\$524,934	9.8%
11 Case Management	\$8,800,759	\$9,266,301	\$9,476,493	\$210,192	2.3%
12 Certified Seed	\$7,257,301	\$10,674,685	\$9,571,135	(\$1,103,550)	-10.3%
13 Transportation Services	\$12,488,017	\$11,562,252	\$13,967,047	\$2,404,795	20.8%
14 Other Expenditure Codes	\$8,281,459	\$8,439,056	\$11,932,365	\$3,493,310	41.4%
15 Accounting Adjustments	(\$1,865,253)	(\$2,517,401)	(\$53,594)	\$2,463,807	na
16 Other Adjustments	\$3,289,277	(\$1,391,486)	(\$4,663,633)	(\$3,272,148)	235.2%
All Funds Total	\$673,813,667	\$676,158,504	\$780,898,061	\$104,739,557	15.5%
Minus Accounting and Other Adjustment	(\$1,424,023)	\$3,908,887	\$4,717,228	\$808,341	20.7%
All Funds Adjusted Total	\$672,389,644	\$680,067,391	\$785,615,288	\$105,547,898	15.5%
General Fund Totals	\$200,038,954	\$213,951,075	\$285,392,066	\$71,440,991	33.4%
Minus Accounting and Other Adjustment	\$459,640	\$2,913,063	\$1,648,861	(\$1,264,202)	-43.4%
General Fund Adjusted Totals	\$200,498,594	\$216,864,139	\$287,040,927	\$70,176,789	32.4%

<sup>1</sup> Includes bad debt write-offs and other adjustments (e.g., third party liability collections, audit settlements, etc.) that are not assigned to a specific expenditure category.

# OFPR Expenditure Review through 1st Quarter SFY 2020

## Outline of All Funds Expenditure Increases in 1st Quarter SFY 2020

### Medicaid Expansion Impact - By Funds

*1st Quarter of SFY 2020*

Expenditure Categories	SFY 2020		
	General Fund	Federal Funds	All Funds Total
1 Hospital Services	\$ 2,805,466	\$ 27,159,642	\$ 29,965,108
2 Residential Care	\$ 105,201	\$ 1,323,495	\$ 1,428,696
3 HCBS Waivers	\$ 55,619	\$ 724,210	\$ 779,829
4 Pharmacy and Related	\$ 1,610,746	\$ 13,972,835	\$ 15,583,581
5 Medical Professionals	\$ 672,674	\$ 6,049,861	\$ 6,722,535
6 Medicare Crossover Payments	\$ 2,702	\$ 23,839	\$ 26,541
7 Mental Health Services	\$ 328,695	\$ 3,377,917	\$ 3,706,612
8 Clinic Services	\$ 320,669	\$ 3,245,135	\$ 3,565,805
9 Home Health	\$ 31,560	\$ 338,049	\$ 369,609
10 Rehabilitation Services	\$ 11,118	\$ 99,935	\$ 111,052
11 Case Management	\$ 18,937	\$ 218,882	\$ 237,819
12 Certified Seed			
13 Transportation Services	\$ 271,904	\$ 2,407,226	\$ 2,679,130
14 Other Expenditure Codes	\$ 240	\$ 3,070	\$ 3,311
<b>Medicaid Expansion Total</b>	<b>\$ 6,235,532</b>	<b>\$ 58,944,097</b>	<b>\$ 65,179,628</b>

Quarterly Estimated Increase From Rate Changes effective July 1, 2019 that did not begin until the 2nd quarter of SFY 2019 \$ 37,260,915

**Impact of these Two Items** \$ 102,440,543

## Outline of General Fund Expenditure Increases in 1st Quarter SFY 2020

### Medicaid Expansion Impact - General Fund

*1st Quarter of SFY 2020*

Expenditure Categories	SFY 2020
	General Fund
1 Hospital Services	\$ 2,805,466
2 Residential Care	\$ 105,201
3 HCBS Waivers	\$ 55,619
4 Pharmacy and Related	\$ 1,610,746
5 Medical Professionals	\$ 672,674
6 Medicare Crossover Payments	\$ 2,702
7 Mental Health Services	\$ 328,695
8 Clinic Services	\$ 320,669
9 Home Health	\$ 31,560
10 Rehabilitation Services	\$ 11,118
11 Case Management	\$ 18,937
12 Certified Seed	
13 Transportation Services	\$ 271,904
14 Other Expenditure Codes	\$ 240
<b>Medicaid Expansion Total</b>	<b>\$ 6,235,532</b>

Quarterly Estimated Increase From Rate Changes effective July 1, 2019 that did not begin until the 2nd quarter of SFY 2019 \$ 13,488,451

DSH - Total Transfers from Reserve for CMS repayments for Riverview Psychiatric Center DSH in 1st Quarter of SFY 2020. \$ 58,501,189

**Impact of these Three Items** \$ 78,225,172

# OFPR Expenditure Review through 1st Quarter SFY 2020

## Outline of All Funds Expenditures on Medicaid Expansion Since Inception

### Medicaid Expansion Impact - by SFY

Through 09/30/19

Expenditure Categories	SFY 2019	SFY 2020	Total
1 Hospital Services	\$ 27,510,310	\$ 29,965,108	\$ 57,475,418
2 Residential Care	\$ 1,280,714	\$ 1,428,696	\$ 2,709,410
3 HCBS Waivers	\$ 6,563	\$ 779,829	\$ 786,392
4 Pharmacy and Related	\$ 10,152,018	\$ 15,583,581	\$ 25,735,599
5 Medical Professionals	\$ 6,155,575	\$ 6,722,535	\$ 12,878,109
6 Medicare Crossover Payments	\$ 28,721	\$ 26,541	\$ 55,262
7 Mental Health Services	\$ 3,124,460	\$ 3,706,612	\$ 6,831,073
8 Clinic Services	\$ 4,250,471	\$ 3,565,805	\$ 7,816,276
9 Home Health	\$ 366,260	\$ 369,609	\$ 735,869
10 Rehabilitation Services	\$ 60,540	\$ 111,052	\$ 171,592
11 Case Management	\$ 211,703	\$ 237,819	\$ 449,522
12 Certified Seed	\$ 2,913		
13 Transportation Services	\$ 1,086,670	\$ 2,679,130	\$ 3,765,800
14 Other Expenditure Codes	\$ 1,535	\$ 3,311	\$ 4,845
<b>Medicaid Expansion Total</b>	<b>\$ 54,238,452</b>	<b>\$ 65,179,628</b>	<b>\$ 119,418,080</b>

MaineCare Expenditure Table 2.

#### MaineCare and Related Expenditures Detail Through 3 Months

*All Funds - Through 3 Months*

Expenditure Categories	FY 2019			FY 2020			without Med Exp Chgs. FY 2019 to FY 2020	
	Actual	Med Exp	w/o Med Exp	Actual	Med Exp	w/o Med Exp	\$	%
	1 Hospital Services	\$127,338,301	\$0	\$127,338,301	\$157,567,099	\$29,965,108	\$127,601,991	\$263,690
2 Residential Care	\$158,281,225	\$0	\$158,281,225	\$167,401,899	\$1,428,696	\$165,973,203	\$7,691,978	4.9%
3 HCBS Waivers	\$103,946,634	\$0	\$103,946,634	\$136,140,290	\$779,829	\$135,360,461	\$31,413,827	30.2%
4 Pharmacy and Related	\$87,695,302	\$0	\$87,695,302	\$102,520,392	\$15,583,581	\$86,936,811	(\$758,491)	-0.9%
5 Medical Professionals	\$35,751,427	\$0	\$35,751,427	\$41,612,454	\$6,722,535	\$34,889,919	(\$861,508)	-2.4%
6 Medicare Crossover Payments	\$23,255,445	\$0	\$23,255,445	\$22,229,115	\$26,541	\$22,202,574	(\$1,052,871)	-4.5%
7 Mental Health Services	\$73,725,553	\$0	\$73,725,553	\$78,660,259	\$3,706,612	\$74,953,647	\$1,228,094	1.7%
8 Clinic Services	\$12,450,278	\$0	\$12,450,278	\$15,982,645	\$3,565,805	\$12,416,840	(\$33,438)	-0.3%
9 Home Health	\$12,318,796	\$0	\$12,318,796	\$12,667,025	\$369,609	\$12,297,417	(\$21,379)	-0.2%
10 Rehabilitation Services	\$5,362,135	\$0	\$5,362,135	\$5,887,069	\$111,052	\$5,776,017	\$413,882	7.7%
11 Case Management	\$9,266,301	\$0	\$9,266,301	\$9,476,493	\$237,819	\$9,238,674	(\$27,627)	-0.3%
12 Certified Seed	\$10,674,685	\$0	\$10,674,685	\$9,571,135		\$9,571,135	(\$1,103,550)	-10.3%
13 Transportation Services	\$11,562,252	\$0	\$11,562,252	\$13,967,047	\$2,679,130	\$11,287,917	(\$274,335)	-2.4%
14 Other Expenditure Codes	\$8,439,056	\$0	\$8,439,056	\$11,932,365	\$3,311	\$11,929,055	\$3,489,999	41.4%
15 Accounting Adjustments	(\$2,517,401)	\$0	(\$2,517,401)	(\$53,594)	\$0	(\$53,594)	\$2,463,807	na
16 Other Adjustments	(\$1,391,486)	\$0	(\$1,391,486)	(\$4,663,633)	\$0	(\$4,663,633)	(\$3,272,148)	235.2%
All Funds Total	\$676,158,504	\$0	\$676,158,504	\$780,898,061	\$65,179,628	\$715,718,433	\$39,559,929	5.9%
General Fund Totals	\$213,951,075	\$0	\$213,951,075	\$285,392,066	\$6,235,532	\$279,156,535	\$65,205,459	30.5%