

## OFPR Expenditure Review through 3rd Quarter SFY 2020

### MaineCare Expenditure Detail through 3rd Quarter of SFY 2020

MaineCare Expenditure Table 1 uses expenditure data from the State’s financial warehouse (MFASIS) through 9 months of FY 2020 to compare MaineCare expenditures by expenditure category for the last three fiscal years. MaineCare “All Funds” spending through 9 months of FY 2020 increased by \$304.8 million from FY 2019 to FY 2020. As detailed in MaineCare Table 1, FY 2020 spending through 9 months increased in the hospital services, pharmacy, medical professionals, laboratory, clinic services and transportation services expenditure categories; and decreased in the other professionals and home health expenditure categories. These increases were expected due to three items: 1) Medicaid expansion began in January of 2019 with a total cost of \$227.8 million through the 3rd 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. So, the first quarter expenditures that occurred during SFY 2020 will be an impact for the entire SFY 2020; and 3) Additional rate changes during the 129th Legislature. See “Rate Changes Impact by Public Law Number” below for detail on the 129<sup>th</sup> impact. See “Outline of All Funds Expenditure Increases through 3rd Quarter of SFY 2020” outline below for a detailed breakdown of the 3 above items.

FY 2020 MaineCare “All Funds” spending through 9 months increased by 13.8% over last year’s spending. MaineCare Expenditure Table 1 also shows that aggregate General Fund expenditures through 9 months of FY 2020 increased by 18.3% compared to FY 2019. This increase was expected due to three items above along with one additional item that only impacted the General Fund: 4) 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 through 3rd Quarter SFY 2020” outline below for a detailed breakdown of all 4 items. 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 9 Months

*All Funds - Through 9 Months*

Expenditure Categories	FY 2018	FY 2019	FY 2020	Chgs. FY 2019 to FY 2020	
	9 Months	9 Months	9 Months	\$	%
1 Hospital Services	\$475,913,842	\$438,997,414	\$578,714,524	\$139,717,110	31.8%
2 Residential Care	\$444,872,508	\$488,565,732	\$529,513,613	\$40,947,881	8.4%
3 HCBS Waivers	\$320,942,673	\$381,974,561	\$411,053,890	\$29,079,329	7.6%
4 Pharmacy and Related	\$100,270,216	\$102,750,989	\$134,566,808	\$31,815,820	31.0%
5 Devices and Supplies	\$17,690,694	\$18,693,413	\$22,319,766	\$3,626,353	19.4%
6 Medical Professionals	\$100,124,394	\$100,236,816	\$123,210,719	\$22,973,902	22.9%
7 Other Professionals	\$11,536,928	\$14,784,566	\$6,288,875	(\$8,495,691)	-57.5%
8 Dentistry	\$17,863,866	\$18,029,567	\$17,003,938	(\$1,025,630)	-5.7%
9 Medicare Deductible and Co-insurance	\$72,058,065	\$70,244,243	\$68,719,841	(\$1,524,402)	-2.2%
10 Medicare A, B, D Premiums	\$145,690,092	\$141,399,521	\$150,499,855	\$9,100,334	6.4%
11 Laboratory	\$7,381,953	\$7,341,442	\$9,016,073	\$1,674,631	22.8%
12 Health Homes	\$45,593,634	\$50,251,062	\$55,661,965	\$5,410,903	10.8%
13 Behavioral Health Services	\$142,718,045	\$129,091,277	\$145,849,317	\$16,758,040	13.0%
14 Clinic Services	\$38,630,929	\$39,848,224	\$50,186,154	\$10,337,930	25.9%
15 Home Health	\$11,259,731	\$11,687,507	\$8,359,818	(\$3,327,689)	-28.5%
16 Rehabilitation Services	\$48,562,210	\$51,933,899	\$51,227,588	(\$706,310)	-1.4%
17 Case Management	\$26,873,092	\$28,572,075	\$28,470,684	(\$101,391)	-0.4%
18 School-Based Services	\$35,259,805	\$43,917,132	\$47,765,394	\$3,848,262	8.8%
19 Transportation Services	\$37,324,306	\$34,049,827	\$44,296,600	\$10,246,772	30.1%
20 Other Expenditure Codes	\$25,419,090	\$34,689,046	\$28,862,393	(\$5,826,654)	-16.8%
21 Accounting Adjustments	\$2,989,926	(\$1,628,463)	(\$5,012,707)	(\$3,384,244)	207.8%
22 Other Adjustments	(\$15,536,335)	(\$16,453,495)	(\$16,178,555)	\$274,941	-1.7%
<b>All Funds Total</b>	<b>\$2,113,439,662</b>	<b>\$2,188,976,357</b>	<b>\$2,490,396,553</b>	<b>\$301,420,196</b>	<b>13.8%</b>
Minus Accounting and Other Adjustmen	\$11,355,105	\$17,193,347	\$20,580,260	\$3,386,914	19.7%
<b>All Funds Adjusted Total</b>	<b>\$2,124,794,767</b>	<b>\$2,206,169,704</b>	<b>\$2,510,976,813</b>	<b>\$304,807,110</b>	<b>13.8%</b>
<b>General Fund Totals</b>	<b>\$595,326,850</b>	<b>\$651,678,600</b>	<b>\$769,244,992</b>	<b>\$117,566,393</b>	<b>18.0%</b>
Minus Accounting and Other Adjustmen	\$2,547,297	\$7,493,875	\$10,836,411	\$3,342,536	44.6%
<b>General Fund Adjusted Totals</b>	<b>\$597,874,146</b>	<b>\$659,172,475</b>	<b>\$780,081,403</b>	<b>\$120,908,928</b>	<b>18.3%</b>

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

## OFPR Expenditure Review through 3rd Quarter SFY 2020

### Outline of All Funds Expenditure Increases through 3rd Quarter of SFY 2020

#### Medicaid Expansion Impact - By Funds

*Through the 3rd Quarter of SFY 2020*

Expenditure Categories	SFY 2020		
	General Fund	Federal Funds	All Funds Total
1 Hospital Services	\$ 10,348,362	\$ 88,166,627	\$ 63,801,679
2 Residential Care	\$ 479,599	\$ 5,185,224	\$ 3,349,685
3 HCBS Waivers	\$ 1,577,642	\$ 0	\$ 1,652,494
4 Pharmacy and Related	\$ 6,251,720	\$ 42,418,393	\$ 31,404,693
5 Devices and Supplies	\$ 328,418	\$ 2,310,935	\$ 1,607,336
6 Medical Professionals	\$ 2,566,960	\$ 20,201,835	\$ 13,670,619
7 Other Professionals	\$ 124,829	\$ 870,268	\$ 534,126
8 Dentistry	\$ 161,827	\$ 1,181,555	\$ 853,163
9 Medicare Deductible and Co-insurance	\$ 13,916	\$ 104,977	\$ 65,019
11 Laboratory	\$ 365,168	\$ 3,215,256	\$ 2,419,880
12 Health Homes	\$ 442,746	\$ 3,504,401	\$ 1,782,090
13 Behavioral Health Services	\$ 1,384,872	\$ 12,190,281	\$ 8,311,380
14 Clinic Services	\$ 1,239,178	\$ 10,573,365	\$ 7,614,944
15 Home Health	\$ 85,539	\$ 831,764	\$ 611,281
16 Rehabilitation Services	\$ 45,885	\$ 379,208	\$ 297,748
17 Case Management	\$ 76,853	\$ 752,965	\$ 536,291
18 School Based Services	\$ 3,200	\$ 38,983	\$ 36,038
19 Transportation Services	\$ 1,184,607	\$ 9,233,573	\$ 6,222,650
20 Other Expenditure Codes	\$ 896	\$ 9,992	\$ 7,274
<b>Medicaid Expansion Total</b>	<b>\$ 26,682,217</b>	<b>\$ 201,169,603</b>	<b>\$ 227,851,821</b>

Quarterly Estimated Increase From Rate Changes for 1st Quarter SFY 2020. Since the changes were effective July 1, 2019 they did not begin until the 2nd quarter of SFY 2019.

**\$ 37,260,915**

Increase in SFY 2020 from rate changes during the 129th Legislature.

**\$ 48,163,415**

**Impact of these Two Items \$ 313,276,151**

# OFPR Expenditure Review through 3rd Quarter SFY 2020

## Outline of General Fund Expenditure Increases through 3rd Quarter of SFY 2020

### Medicaid Expansion Impact - General Fund

Through the 3rd Quarter of SFY 2020

Expenditure Categories	SFY 2020 General Fund
1 Hospital Services	\$ 10,348,362
2 Residential Care	\$ 479,599
3 HCBS Waivers	\$ 1,577,642
4 Pharmacy and Related	\$ 6,251,720
5 Devices and Supplies	\$ 328,418
6 Medical Professionals	\$ 2,566,960
7 Other Professionals	\$ 124,829
8 Dentistry	\$ 161,827
9 Medicare Deductible and Co-insurance	\$ 13,916
11 Laboratory	\$ 365,168
12 Health Homes	\$ 442,746
13 Behavioral Health Services	\$ 1,384,872
14 Clinic Services	\$ 1,239,178
15 Home Health	\$ 85,539
16 Rehabilitation Services	\$ 45,885
17 Case Management	\$ 76,853
18 School Based Services	\$ 3,200
19 Transportation Services	\$ 1,184,607
20 Other Expenditure Codes	\$ 896
<b>Medicaid Expansion Total</b>	<b>\$ 26,682,217</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**

Increase in SFY 2020 from rate changes during the 129th Legislature.

**\$ 15,082,261**

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 \$ 113,754,118**

#### Rate Changes Impact by Public Law Number

During the 129th Legislature

Classification for Fiscal News	ChapterNumber	FundCode	SFY 2020	SFY 2021
Rate Changes	343	10	\$ 17,072,976	\$ 31,319,844
		13	\$ 33,685,958	\$ 55,818,763
		14	\$ 2,591,764	\$ 4,660,403
<b>343 Total</b>			<b>\$ 53,350,698</b>	<b>\$ 91,799,010</b>
	530	10	\$ 3,036,705	\$ 6,116,645
		13	\$ 7,830,484	\$ 11,701,882
<b>530 Total</b>			<b>\$ 10,867,189</b>	<b>\$ 17,818,527</b>
	533	10	\$ 520,000	\$ 520,000
		13	\$ 209,093	\$ 209,094
<b>533 Total</b>			<b>\$ 729,093</b>	<b>\$ 729,094</b>
	616	10	\$ -	\$ 9,152,949
		13	\$ -	\$ 18,383,843
		14	\$ -	\$ 1,246,687
<b>616 Total</b>			<b>\$ -</b>	<b>\$ 28,783,479</b>
<b>Rate Changes Total</b>			<b>\$ 64,946,980</b>	<b>\$ 139,130,110</b>
<b>Grand Total</b>			<b>\$ 64,946,980</b>	<b>\$ 139,130,110</b>

These two bills are from the 2nd Regular Session and will have no impact until at least the 4th quarter of SFY 2020.

	SFY 2020 All Funds	General Fund
Annual Estimated Impact	\$ 64,217,887	\$ 20,109,681
Quarterly Estimated Impact	\$ 16,054,472	\$ 5,027,420
<b>Impact through 3 Quarters</b>	<b>\$ 48,163,415</b>	<b>\$ 15,082,261</b>

# OFPR Expenditure Review through 3rd Quarter SFY 2020

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

### Medicaid Expansion Impact - by SFY

Through 03/31/20

Expenditure Categories	SFY 2019	SFY 2020	Total
1 Hospital Services	\$ 27,510,310	\$ 98,514,989	\$ 126,025,299
2 Residential Care	\$ 1,280,714	\$ 5,664,823	\$ 6,945,536
3 HCBS Waivers	\$ 6,563	\$ 1,577,642	\$ 1,584,206
4 Pharmacy and Related	\$ 8,512,542	\$ 48,670,114	\$ 57,182,655
5 Devices and Supplies	\$ 508,123	\$ 2,639,353	\$ 3,147,475
6 Medical Professionals	\$ 5,673,060	\$ 22,768,795	\$ 28,441,854
7 Other Professionals	\$ 242,429	\$ 995,097	\$ 1,237,526
8 Dentistry	\$ 340,460	\$ 1,343,383	\$ 1,683,843
9 Medicare Deductible and Co-insurance	\$ 28,721	\$ 118,893	\$ 147,614
11 Laboratory	\$ 1,131,354	\$ 3,580,424	\$ 4,711,778
12 Health Homes	\$ 8,642	\$ 3,947,147	\$ 3,955,789
13 Behavioral Health Services	\$ 3,119,624	\$ 13,575,153	\$ 16,694,777
14 Clinic Services	\$ 4,250,471	\$ 11,812,544	\$ 16,063,014
15 Home Health	\$ 257,244	\$ 917,303	\$ 1,174,548
16 Rehabilitation Services	\$ 63,255	\$ 425,094	\$ 488,348
17 Case Management	\$ 211,703	\$ 829,817	\$ 1,041,521
18 School Based Services	\$ 5,034	\$ 42,184	\$ 47,218
19 Transportation Services	\$ 1,086,670	\$ 10,418,180	\$ 11,504,850
20 Other Expenditure Codes	\$ 1,535	\$ 10,888	\$ 12,422
<b>Medicaid Expansion Total</b>	<b>\$ 54,238,452</b>	<b>\$ 227,851,821</b>	<b>\$ 282,090,273</b>

MaineCare Expenditure Table 2.

**MaineCare and Related Expenditures Detail Through 9 Months**  
All Funds - Through 9 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	\$438,997,414	\$6,633,091	\$432,364,323	\$578,714,524	\$98,514,989	\$480,199,535	\$47,835,212	11.1%
2 Residential Care	\$488,565,732	\$284,264	\$488,281,468	\$529,513,613	\$5,664,823	\$523,848,791	\$35,567,323	7.3%
3 HCBS Waivers	\$381,974,561	\$468	\$381,974,093	\$411,053,890	\$1,577,642	\$409,476,248	\$27,502,155	7.2%
4 Pharmacy and Related	\$102,750,989	\$147,842	\$102,603,147	\$134,566,808	\$48,670,114	\$85,896,695	(\$16,706,452)	-16.3%
5 Medical Professionals	\$18,693,413	\$69,674	\$18,623,739	\$22,319,766	\$2,639,353	\$19,680,414	\$1,056,674	5.7%
6 Medicare Crossover Payments	\$100,236,816	\$1,193,007	\$99,043,809	\$123,210,719	\$22,768,795	\$100,441,924	\$1,398,115	1.4%
7 Mental Health Services	\$14,784,566	\$23,574	\$14,760,992	\$6,288,875	\$995,097	\$5,293,778	(\$9,467,214)	-64.1%
8 Clinic Services	\$18,029,567	\$42,488	\$17,987,079	\$17,003,938	\$1,343,383	\$15,660,555	(\$2,326,525)	-12.9%
9 Home Health	\$70,244,243	\$5,084	\$70,239,159	\$68,719,841	\$118,893	\$68,600,948	(\$1,638,211)	-2.3%
10 Rehabilitation Services	\$141,399,521	\$0	\$141,399,521	\$150,499,855	\$0	\$150,499,855	\$9,100,334	6.4%
11 Case Management	\$7,341,442	\$167,501	\$7,173,941	\$9,016,073	\$0	\$9,016,073	\$1,842,132	25.7%
12 Certified Seed	\$50,251,062	\$812	\$50,250,250	\$55,661,965	\$3,580,424	\$52,081,541	\$1,831,291	3.6%
13 Transportation Services	\$129,091,277	\$598,186	\$128,493,092	\$145,849,317	\$3,947,147	\$141,902,170	\$13,409,078	10.4%
14 Other Expenditure Codes	\$39,848,224	\$1,173,848	\$38,674,376	\$50,186,154	\$13,575,153	\$36,611,001	(\$2,063,375)	-5.3%
15 Accounting Adjustments	\$11,687,507	\$55,449	\$11,632,058	\$8,359,818	\$11,812,544	(\$3,452,725)	(\$15,084,783)	-129.7%
16 Other Adjustments	\$51,933,899	\$8,071	\$51,925,827	\$51,227,588	\$917,303	\$50,310,285	(\$1,615,542)	-3.1%
17 Case Management	\$28,572,075	\$34,653	\$28,537,422	\$28,470,684	\$425,094	\$28,045,590	(\$491,832)	-1.7%
18 School-Based Services	\$43,917,132	\$0	\$43,917,132	\$47,765,394	\$829,817	\$46,935,577	\$3,018,445	6.9%
19 Transportation Services	\$34,049,827	\$111,621	\$33,938,206	\$44,296,600	\$42,184	\$44,254,416	\$10,316,210	30.4%
20 Other Expenditure Codes	\$34,689,046	\$42	\$34,689,004	\$28,862,393	\$10,418,180	\$18,444,213	(\$16,244,792)	-46.8%
21 Accounting Adjustments	(\$1,628,463)	\$0	(\$1,628,463)	(\$5,012,707)	\$10,888	(\$5,023,594)	(\$3,395,132)	na
22 Other Adjustments	(\$16,453,495)	\$0	(\$16,453,495)	(\$16,178,555)	\$0	(\$16,178,555)	\$274,941	-1.7%
All Funds Total	\$2,188,976,357	\$10,549,676	\$2,178,426,681	\$2,490,396,553	\$227,851,821	\$2,262,544,732	\$84,118,052	3.9%
General Fund Totals	\$651,678,600	\$10,549,676	\$641,128,923	\$769,244,992	\$26,682,217	\$742,562,775	\$101,433,852	15.8%