

## OFPR Expenditure Review through 2nd Quarter SFY 2020

### MaineCare Expenditure Detail through 2nd Quarter of SFY 2020

MaineCare Expenditure Table 1 uses expenditure data from the State’s financial warehouse (MFASIS) through 6 months of FY 2020 to compare MaineCare expenditures by expenditure category for the last three fiscal years. MaineCare “All Funds” spending through 6 months of FY 2020 increased by \$182.5 million from FY 2019 to FY 2020. As detailed in MaineCare Table 1, FY 2020 spending through 6 months increased in the hospital services, pharmacy, devices and supplies, 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 two items: 1) Medicaid expansion began in January of 2019 with a total cost of \$144.7 million through the 2<sup>nd</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. So, the first quarter expenditures that occurred during SFY 2020 will be an impact for the entire SFY 2020. See “Outline of All Funds Expenditure Increases through 2nd Quarter of SFY 2020” outline below for a detailed breakdown.

FY 2020 MaineCare “All Funds” spending through 6 months increased by 12.4% over last year’s spending. MaineCare Expenditure Table 1 also shows that aggregate General Fund expenditures through 6 months of FY 2020 increased by 20.8% 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 \$15,686,788 through the 2<sup>nd</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 through 2nd 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 6 Months

*All Funds - Through 6 Months*

Expenditure Categories	FY 2018	FY 2019	FY 2020	Chgs. FY 2019 to FY 2020	
	6 Months	6 Months	6 Months	\$	%
1 Hospital Services	\$305,786,689	\$306,947,417	\$375,231,075	\$68,283,657	22.2%
2 Residential Care	\$296,414,472	\$325,708,391	\$350,274,568	\$24,566,177	7.5%
3 HCBS Waivers	\$206,980,671	\$250,490,398	\$270,734,131	\$20,243,733	8.1%
4 Pharmacy and Related	\$70,025,678	\$64,198,113	\$89,787,450	\$25,589,337	39.9%
5 Devices and Supplies	\$11,820,511	\$12,122,366	\$14,744,956	\$2,622,590	21.6%
6 Medical Professionals	\$67,012,353	\$66,122,881	\$79,116,668	\$12,993,787	19.7%
7 Other Professionals	\$6,606,976	\$6,977,223	\$3,791,869	(\$3,185,354)	-45.7%
8 Dentistry	\$12,402,222	\$12,727,949	\$11,651,310	(\$1,076,639)	-8.5%
9 Medicare Deductible and Co-insurance	\$46,003,149	\$45,947,639	\$44,157,445	(\$1,790,195)	-3.9%
10 Medicare A, B, D Premiums	\$97,161,738	\$92,373,564	\$98,693,552	\$6,319,988	6.8%
11 Laboratory	\$4,840,511	\$4,855,742	\$6,258,077	\$1,402,336	28.9%
12 Health Homes	\$29,768,205	\$33,339,060	\$36,765,502	\$3,426,442	10.3%
13 Behavioral Health Services	\$93,944,816	\$91,094,215	\$95,907,557	\$4,813,341	5.3%
14 Clinic Services	\$25,697,903	\$25,882,488	\$33,176,158	\$7,293,670	28.2%
15 Home Health	\$7,320,154	\$7,824,796	\$5,596,234	(\$2,228,562)	-28.5%
16 Rehabilitation Services	\$33,700,708	\$33,982,597	\$35,602,226	\$1,619,629	4.8%
17 Case Management	\$18,004,292	\$18,977,401	\$18,930,409	(\$46,992)	-0.2%
18 School-Based Services	\$23,062,531	\$28,936,944	\$31,583,961	\$2,647,017	9.1%
19 Transportation Services	\$24,989,577	\$22,828,745	\$28,466,664	\$5,637,920	24.7%
20 Other Expenditure Codes	\$16,246,259	\$16,424,002	\$19,795,207	\$3,371,204	20.5%
21 Accounting Adjustments	\$3,118,724	(\$2,682,980)	(\$3,034,433)	(\$351,453)	13.1%
22 Other Adjustments	(\$10,708,366)	(\$11,095,538)	(\$10,239,684)	\$855,853	-7.7%
<b>All Funds Total</b>	<b>\$1,390,199,772</b>	<b>\$1,453,983,413</b>	<b>\$1,636,990,900</b>	<b>\$183,007,487</b>	<b>12.6%</b>
Minus Accounting and Other Adjustmen	\$7,589,642	\$13,778,518	\$13,274,117	(\$504,400)	-3.7%
<b>All Funds Adjusted Total</b>	<b>\$1,397,789,414</b>	<b>\$1,467,761,930</b>	<b>\$1,650,265,017</b>	<b>\$182,503,087</b>	<b>12.4%</b>
<b>General Fund Totals</b>	<b>\$375,925,243</b>	<b>\$411,647,597</b>	<b>\$498,778,435</b>	<b>\$87,130,837</b>	<b>21.2%</b>
Minus Accounting and Other Adjustmen	\$696,881	\$6,647,411	\$6,708,266	\$60,855	0.9%
<b>General Fund Adjusted Totals</b>	<b>\$376,622,124</b>	<b>\$418,295,009</b>	<b>\$505,486,701</b>	<b>\$87,191,692</b>	<b>20.8%</b>

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

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## Outline of All Funds Expenditure Increases through 2nd Quarter of SFY 2020

### Medicaid Expansion Impact - By Funds

Through the 2nd Quarter of SFY 2020

Expenditure Categories	SFY 2020		
	General Fund	Federal Funds	All Funds Total
1 Hospital Services	\$ 6,028,181	\$ 57,773,499	\$ 63,801,679
2 Residential Care	\$ 244,477	\$ 3,105,208	\$ 3,349,685
3 HCBS Waivers	\$ 1,652,494	\$ 0	\$ 1,652,494
4 Pharmacy and Related	\$ 3,418,180	\$ 27,986,513	\$ 31,404,693
5 Devices and Supplies	\$ 183,990	\$ 1,423,346	\$ 1,607,336
6 Medical Professionals	\$ 1,369,928	\$ 12,300,691	\$ 13,670,619
7 Other Professionals	\$ 63,666	\$ 470,460	\$ 534,126
8 Dentistry	\$ 95,933	\$ 757,230	\$ 853,163
9 Medicare Deductible and Co-insurance	\$ 6,618	\$ 58,400	\$ 65,019
11 Laboratory	\$ 220,818	\$ 2,199,062	\$ 2,419,880
12 Health Homes	\$ 170,919	\$ 1,611,171	\$ 1,782,090
13 Behavioral Health Services	\$ 752,780	\$ 7,558,600	\$ 8,311,380
14 Clinic Services	\$ 712,165	\$ 6,902,779	\$ 7,614,944
15 Home Health	\$ 53,027	\$ 558,255	\$ 611,281
16 Rehabilitation Services	\$ 28,368	\$ 269,380	\$ 297,748
17 Case Management	\$ 42,794	\$ 493,497	\$ 536,291
18 School Based Services	\$ 2,522	\$ 33,516	\$ 36,038
19 Transportation Services	\$ 639,394	\$ 5,583,255	\$ 6,222,650
20 Other Expenditure Codes	\$ 534	\$ 6,740	\$ 7,274
<b>Medicaid Expansion Total</b>	<b>\$ 15,686,788</b>	<b>\$ 129,091,602</b>	<b>\$ 144,778,390</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

Impact of these Two Items \$ 182,039,305

### Outline of General Fund Expenditure Increases through 2nd Quarter of SFY 2020

### Medicaid Expansion Impact - General Fund

Through the 2nd Quarter of SFY 2020

Expenditure Categories	SFY 2020
	General Fund
1 Hospital Services	\$ 6,028,181
2 Residential Care	\$ 244,477
3 HCBS Waivers	\$ 1,652,494
4 Pharmacy and Related	\$ 3,418,180
5 Devices and Supplies	\$ 183,990
6 Medical Professionals	\$ 1,369,928
7 Other Professionals	\$ 63,666
8 Dentistry	\$ 95,933
9 Medicare Deductible and Co-insurance	\$ 6,618
11 Laboratory	\$ 220,818
12 Health Homes	\$ 170,919
13 Behavioral Health Services	\$ 752,780
14 Clinic Services	\$ 712,165
15 Home Health	\$ 53,027
16 Rehabilitation Services	\$ 28,368
17 Case Management	\$ 42,794
18 School Based Services	\$ 2,522
19 Transportation Services	\$ 639,394
20 Other Expenditure Codes	\$ 534
<b>Medicaid Expansion Total</b>	<b>\$ 15,686,788</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 \$ 87,676,428

## OFPR Expenditure Review through 2nd Quarter SFY 2020

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

#### Medicaid Expansion Impact - by SFY

Through 12/31/19

Expenditure Categories	SFY 2019	SFY 2020	Total
1 Hospital Services	\$ 27,510,310	\$ 63,801,679	\$ 91,311,989
2 Residential Care	\$ 1,280,714	\$ 3,349,685	\$ 4,630,399
3 HCBS Waivers	\$ 6,563	\$ 1,652,494	\$ 1,659,057
4 Pharmacy and Related	\$ 8,512,542	\$ 31,404,693	\$ 39,917,234
5 Devices and Supplies	\$ 508,123	\$ 1,607,336	\$ 2,115,459
6 Medical Professionals	\$ 5,673,060	\$ 13,670,619	\$ 19,343,679
7 Other Professionals	\$ 242,429	\$ 534,126	\$ 776,555
8 Dentistry	\$ 340,460	\$ 853,163	\$ 1,193,623
9 Medicare Deductible and Co-insurance	\$ 28,721	\$ 65,019	\$ 93,740
11 Laboratory	\$ 1,131,354	\$ 2,419,880	\$ 3,551,233
12 Health Homes	\$ 8,642	\$ 1,782,090	\$ 1,790,732
13 Behavioral Health Services	\$ 3,119,624	\$ 8,311,380	\$ 11,431,005
14 Clinic Services	\$ 4,250,471	\$ 7,614,944	\$ 11,865,415
15 Home Health	\$ 257,244	\$ 611,281	\$ 868,526
16 Rehabilitation Services	\$ 63,255	\$ 297,748	\$ 361,003
17 Case Management	\$ 211,703	\$ 536,291	\$ 747,994
18 School Based Services	\$ 5,034	\$ 36,038	\$ 41,073
19 Transportation Services	\$ 1,086,670	\$ 6,222,650	\$ 7,309,319
20 Other Expenditure Codes	\$ 1,535	\$ 7,274	\$ 8,808
<b>Medicaid Expansion Total</b>	<b>\$ 54,238,452</b>	<b>\$ 144,778,390</b>	<b>\$ 199,016,842</b>

MaineCare Expenditure Table 2.

MaineCare and Related Expenditures Detail Through 6 Months  
All Funds - Through 6 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	\$306,947,417	\$0	\$306,947,417	\$375,231,075	\$63,801,679	\$311,429,395	\$4,481,978	1.5%
2 Residential Care	\$325,708,391	\$0	\$325,708,391	\$350,274,568	\$3,349,685	\$346,924,883	\$2,216,492	6.5%
3 HCBS Waivers	\$250,490,398	\$0	\$250,490,398	\$270,734,131	\$1,652,494	\$269,081,637	\$18,591,239	7.4%
4 Pharmacy and Related	\$64,198,113	\$0	\$64,198,113	\$89,787,450	\$31,404,693	\$58,382,757	(\$5,815,356)	-9.1%
5 Medical Professionals	\$12,122,366	\$0	\$12,122,366	\$14,744,956	\$1,607,336	\$13,137,621	\$1,015,254	8.4%
6 Medicare Crossover Payments	\$66,122,881	\$0	\$66,122,881	\$79,116,668	\$13,670,619	\$65,446,049	(\$676,832)	-1.0%
7 Mental Health Services	\$6,977,223	\$0	\$6,977,223	\$3,791,869	\$534,126	\$3,257,743	(\$3,719,480)	-53.3%
8 Clinic Services	\$12,727,949	\$0	\$12,727,949	\$11,651,310	\$853,163	\$10,798,147	(\$1,929,802)	-15.2%
9 Home Health	\$45,947,639	\$0	\$45,947,639	\$44,157,445	\$65,019	\$44,092,426	(\$1,855,213)	-4.0%
10 Rehabilitation Services	\$92,373,564	\$0	\$92,373,564	\$98,693,552	\$0	\$98,693,552	\$6,319,988	6.8%
11 Case Management	\$4,855,742	\$0	\$4,855,742	\$6,258,077	\$2,419,880	\$3,838,198	(\$1,017,544)	-21.0%
12 Certified Seed	\$33,339,060	\$0	\$33,339,060	\$36,765,502	\$1,782,090	\$34,983,412	\$1,644,351	4.9%
13 Transportation Services	\$91,094,215	\$0	\$91,094,215	\$95,907,557	\$8,311,380	\$87,596,176	(\$3,498,039)	-3.8%
14 Other Expenditure Codes	\$25,882,488	\$0	\$25,882,488	\$33,176,158	\$7,614,944	\$25,561,213	(\$321,275)	-1.2%
15 Accounting Adjustments	\$7,824,796	\$0	\$7,824,796	\$5,596,234	\$611,281	\$4,984,952	(\$2,839,843)	-36.3%
16 Other Adjustments	\$33,982,597	\$0	\$33,982,597	\$35,602,226	\$297,748	\$35,304,477	\$1,321,881	3.9%
17 Case Management	\$18,977,401	\$0	\$18,977,401	\$18,930,409	\$536,291	\$18,394,118	(\$583,283)	-3.1%
18 School-Based Services	\$28,936,944	\$0	\$28,936,944	\$31,583,961	\$36,038	\$31,547,923	\$2,610,979	9.0%
19 Transportation Services	\$22,828,745	\$0	\$22,828,745	\$28,466,664	\$6,222,650	\$22,244,015	(\$584,730)	-2.6%
20 Other Expenditure Codes	\$16,424,002	\$0	\$16,424,002	\$19,795,207	\$7,274	\$19,787,933	\$3,363,931	20.5%
21 Accounting Adjustments	(\$2,682,980)	\$0	(\$2,682,980)	(\$3,034,433)	\$0	(\$3,034,433)	(\$351,453)	na
22 Other Adjustments	(\$11,095,538)	\$0	(\$11,095,538)	(\$10,239,684)	\$0	(\$10,239,684)	\$855,853	-7.7%
All Funds Total	\$1,453,983,413	\$0	\$1,453,983,413	\$1,636,990,900	\$144,778,390	\$1,492,212,510	\$38,229,097	2.6%
General Fund Totals	\$411,647,597	\$0	\$411,647,597	\$498,778,435	\$15,686,788	\$483,091,647	\$71,444,050	17.4%