

OFPR Expenditure Review through 1st Quarter SFY 2021

MaineCare Expenditure Detail through 1st Quarter of SFY 2021

MaineCare Expenditure Table 1 uses expenditure data from the State’s financial warehouse (MFASIS) through 3 months of FY 2021 to compare MaineCare expenditures by expenditure category for the last three fiscal years. MaineCare “All Funds” spending through 3 months of FY 2021 increased by \$107.1 million from FY 2020 to FY 2021. As detailed in MaineCare Table 1, FY 2021 spending through 3 months increased in the hospital services, residential care, HCBS waivers, pharmacy, devices and supplies, medical professionals, other professionals and home health expenditure categories; and decreased in the dentistry and Medicare A, B, D Premiums expenditure categories. These increases were expected due to three items: 1) Medicaid expansion expenses increased by just under \$60 million, 2) Rate increases and program changes to multiple services during the 129th legislature effective July 1, 2019, which have a greater impact in SFY 2021 than in SFY 2022. See Exhibit A for a detailed breakdown.

FY 2021 MaineCare “All Funds” spending through 3 months increased by 14.9% over last year’s spending. MaineCare Expenditure Table 1 also shows that aggregate General Fund expenditures through 3 months of FY 2021 decreased by 23.1% compared to FY 2020. This decrease was expected due to two large items: 1) In the 1st Quarter of SFY 2020 multiple journal entries, totaling \$58.5 million, were completed to transfer funds from the federal MaineCare account into a General Fund MaineCare account, causing an increase in General Fund expenditures in SFY 2020. This transfer was made due to multiple disallowances of Riverview Psychiatric Center Disproportionate Share funding and 2) Due to the COVID pandemic there is a temporary increase to the FMAP during the crisis of 6.2%. The current General Fund spending is in-line with the legislatively approved amount for FY 2021.

Exhibit B, at the end of this document, outlines all Medicaid Expansion spending since inception.

MaineCare Expenditure Table 1.

MaineCare and Related Expenditures Detail Through 3 Months

All Funds - Through 3 Months

Expenditure Categories	FY 2019	FY 2020	FY 2021	Chgs. FY 2020 to FY 2021	
	3 Months	3 Months	3 Months	\$	%
1 Hospital Services	\$127,338,301	\$157,567,099	\$187,337,091	\$29,769,993	18.9%
2 Residential Care	\$159,844,896	\$169,349,181	\$195,688,407	\$26,339,226	15.6%
3 HCBS Waivers	\$103,946,634	\$136,140,290	\$158,245,774	\$22,105,485	16.2%
4 Pharmacy and Related	\$35,604,998	\$43,153,505	\$53,192,571	\$10,039,066	23.3%
5 Devices and Supplies	\$5,724,407	\$7,225,867	\$8,501,257	\$1,275,390	17.7%
6 Medical Professionals	\$32,691,318	\$40,247,709	\$49,956,278	\$9,708,569	24.1%
7 Other Professionals	\$6,322,710	\$1,665,105	\$11,561,550	\$9,896,444	594.3%
8 Dentistry	\$5,989,053	\$5,704,413	\$4,729,476	(\$974,937)	-17.1%
9 Medicare Deductible and Co-insurance	\$23,255,445	\$22,229,115	\$21,897,626	(\$331,489)	-1.5%
10 Medicare A, B, D Premiums	\$43,968,327	\$49,253,599	\$46,926,808	(\$2,326,791)	-4.7%
11 Laboratory	\$2,397,570	\$2,887,422	\$2,921,192	\$33,770	1.2%
12 Health Homes	\$16,753,656	\$18,335,259	\$21,042,780	\$2,707,521	14.8%
13 Behavioral Health Services	\$45,341,577	\$45,848,177	\$52,139,798	\$6,291,622	13.7%
14 Clinic Services	\$12,450,396	\$15,982,645	\$16,953,120	\$970,475	6.1%
15 Home Health	\$3,646,720	\$2,780,495	\$3,496,072	\$715,577	25.7%
16 Rehabilitation Services	\$16,222,391	\$18,920,515	\$20,801,295	\$1,880,781	9.9%
17 Case Management	\$9,266,301	\$9,476,493	\$9,789,982	\$313,489	3.3%
18 School-Based Services	\$13,700,655	\$12,993,985	\$13,190,524	\$196,538	1.5%
19 Transportation Services	\$11,562,252	\$13,967,047	\$16,054,074	\$2,087,027	14.9%
20 Other Expenditure Codes	\$8,296,287	\$11,737,365	\$8,308,605	(\$3,428,759)	-29.2%
21 Accounting Adjustments	(\$2,517,401)	(\$53,594)	(\$8,228,387)	(\$8,174,793)	15253.1%
22 Other Adjustments	(\$5,647,991)	(\$4,513,630)	(\$6,430,208)	(\$1,916,578)	42.5%
All Funds Total	\$676,158,504	\$780,898,061	\$888,075,686	\$107,177,625	13.7%
Minus Accounting and Other Adjustmen	\$8,165,392	\$4,567,224	\$14,658,595	\$10,091,371	221.0%
All Funds Adjusted Total	\$684,323,895	\$785,465,285	\$902,734,281	\$117,268,996	14.9%
General Fund Totals	\$213,951,075	\$285,392,066	\$210,648,962	(\$74,743,104)	-26.2%
Minus Accounting and Other Adjustmen	\$4,549,101	\$1,654,448	\$10,157,445	\$8,502,997	513.9%
General Fund Adjusted Totals	\$218,500,176	\$287,046,514	\$220,806,407	(\$66,240,107)	-23.1%

¹ 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 2021

Exhibit A

Outline of All Funds Expenditure Increases through 1st Quarter of SFY 2021

Medicaid Expansion Impact - By Funds

Through the 1st Quarter of SFY 2021

Expenditure Categories	SFY 2020	SFY 2021	Difference
1 Hospital Services	\$ 29,965,108	\$ 90,451,931	\$ 60,486,823
2 Residential Care	\$ 1,428,696	\$ 2,917,894	\$ 1,489,198
3 HCBS Waivers	\$ 779,829	\$ 1,285,925	\$ 506,097
4 Pharmacy and Related	\$ 13,835,315	\$ 19,367,405	\$ 5,532,090
5 Devices and Supplies	\$ 715,932	\$ 1,461,034	\$ 745,102
6 Medical Professionals	\$ 6,188,371	\$ 12,751,356	\$ 6,562,985
7 Other Professionals	\$ 223,033	\$ 434,823	\$ 211,790
8 Dentistry	\$ 388,661	\$ 593,643	\$ 204,983
9 Medicare Deductible and Co-insurance	\$ 26,541	\$ 54,866	\$ 28,325
11 Laboratory	\$ 1,032,334	\$ 1,224,315	\$ 191,980
12 Health Homes	\$ 9,380	\$ 2,990,695	\$ 2,981,315
13 Behavioral Health Services	\$ 3,658,698	\$ 6,922,319	\$ 3,263,621
14 Clinic Services	\$ 3,565,805	\$ 5,062,527	\$ 1,496,723
15 Home Health	\$ 282,853	\$ 468,979	\$ 186,126
16 Rehabilitation Services	\$ 145,536	\$ 382,069	\$ 236,533
17 Case Management	\$ 237,819	\$ 393,040	\$ 155,221
18 School Based Services	\$ 13,431	\$ 1,972	\$ (11,459)
19 Transportation Services	\$ 2,679,130	\$ 4,382,614	\$ 1,703,483
20 Other Expenditure Codes	\$ 3,157	\$ 4,843	\$ 1,687
Medicaid Expansion Total	\$ 65,179,628	\$ 151,152,250	\$ 85,972,622

One-time journal entry to move a portion of the Prospective Interim Payments (PIPs) for the Critical Access Hospitals (CAHs) to Medicaid Expansion. This had a net zero impact on overall expenditures, but increased the difference for Medicaid Expansion between SFY 2020 and SFY 2021. (\$26,660,435.05)

Medicaid Expansion total minus one-time PIP journal **\$ 59,312,187**

The expected increase in costs due to Rate and Program changes from SFY 2020 to SFY 2021. \$47,054,739.50

Other Professionals expenditure category Charge off journals to remove receivables from the \$ 9,280,327.62

Difference in the Accounting adjustments and the Other Adjustments expenditure categories. (\$10,091,370.88)

Total of all Differences **\$ 105,555,883**

OFPR Expenditure Review through 1st Quarter SFY 2021

Exhibit B

Outline of All Funds Expenditures on Medicaid Expansion Since Inception

Medicaid Expansion Impact - by SFY

Through 09/30/20

Expenditure Categories	SFY 2019	SFY 2020	SFY 2021	Total
1 Hospital Services	\$ 27,510,310	\$ 128,494,255	\$ 90,451,931	\$ 246,456,495
2 Residential Care	\$ 1,280,714	\$ 8,246,273	\$ 2,917,894	\$ 12,444,881
3 HCBS Waivers	\$ 6,563	\$ 1,936,493	\$ 1,285,925	\$ 3,228,982
4 Pharmacy and Related	\$ 8,512,542	\$ 66,352,673	\$ 19,367,405	\$ 94,232,619
5 Devices and Supplies	\$ 508,123	\$ 3,921,730	\$ 1,461,034	\$ 5,890,886
6 Medical Professionals	\$ 5,673,060	\$ 31,143,933	\$ 12,751,356	\$ 49,568,349
7 Other Professionals	\$ 242,429	\$ 1,365,098	\$ 434,823	\$ 2,042,350
8 Dentistry	\$ 340,460	\$ 1,590,054	\$ 593,643	\$ 2,524,157
9 Medicare Deductible and Co-insurance	\$ 28,721	\$ 157,816	\$ 54,866	\$ 241,404
11 Laboratory	\$ 1,131,354	\$ 4,352,925	\$ 1,224,315	\$ 6,708,593
12 Health Homes	\$ 8,642	\$ 6,551,474	\$ 2,990,695	\$ 9,550,810
13 Behavioral Health Services	\$ 3,119,624	\$ 19,317,004	\$ 6,922,319	\$ 29,358,948
14 Clinic Services	\$ 4,250,471	\$ 15,747,370	\$ 5,062,527	\$ 25,060,368
15 Home Health	\$ 257,244	\$ 1,259,255	\$ 468,979	\$ 1,985,479
16 Rehabilitation Services	\$ 63,255	\$ 555,686	\$ 382,069	\$ 1,001,009
17 Case Management	\$ 211,703	\$ 1,160,948	\$ 393,040	\$ 1,765,692
18 School Based Services	\$ 5,034	\$ 47,675	\$ 1,972	\$ 54,682
19 Transportation Services	\$ 1,086,670	\$ 15,129,185	\$ 4,382,614	\$ 20,598,469
20 Other Expenditure Codes	\$ 1,535	\$ 12,632	\$ 4,843	\$ 19,010
Medicaid Expansion Total	\$ 54,238,452	\$ 307,342,480	\$ 151,152,250	\$ 512,733,182