

Briefing:

Maine Jobs & Recovery Plan and New Supplemental Budget Initiatives

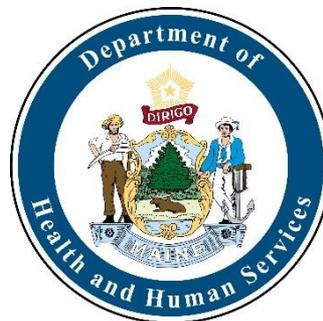
**Maine State Legislature
Health and Human Services Committee**

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Presentation

- I. Overview**
- II. Maine Jobs & Recovery Plan**
- III. Supplemental (Part 2) Budget**

I. Overview

Three proposals: Based on the Administration's strong priorities: education, public health, our local communities, climate, our economy and making good on the promises of state government. Together, they chart a path for robust and widespread economic recovery and growth:

- **Maine Jobs & Recovery Plan,** Proposal to invest more than \$1 billion in discretionary Federal relief funds allocated to Maine under the American Rescue Plan Act to:
 - Immediate economic recovery from the pandemic;
 - Long-term economic growth for Maine; and
 - Infrastructure revitalization.The plan draws heavily on recommendations from the [Governor's Economic Recovery Committee](#) and the [State's 10-Year Economic Development Strategy](#), transforming these plans into real action to improve the lives of our people and to strengthen the economy.
- **[Bond proposal:](#)** Aimed at rebuilding Maine's transportation system and conserving lands and waters.
- **Part 2 budget for the FY22-23 biennium:** Thanks to Maine's good financial position reflecting fiscally responsible moves by the Governor and legislature, the proposal makes a historic investment in Maine public schools and meets the State's obligation to pay 55 percent of the cost of K-12 education for the first time in Maine's history. The proposal includes a host of additional bipartisan priorities, such as initiatives to improve the health of Maine people; relief for Maine people most adversely impacted by the pandemic or overburdened by rising property taxes; enhanced revenue sharing with municipalities; PFAS remediation; and infrastructure upgrades; and adds money to the Budget Stabilization Fund. The proposal, which is balanced and does not raise taxes, also leaves approximately \$23 million in funding on the table for use at lawmakers' discretion.

Looking Across All Opportunities

How Maine's Priorities Are Being Met: By Sector

Sectors	ARP: Earmarked	ARP: Unearmarked	Budget	Bond
Public Health, Health Care, & Human Services	COVID-19 Response; ACA Improvements; Behavioral Health	Small Business Insurance Premiums; Health Care Workforce	Public Health Infrastructure; MaineCare Rates, Reform & Dental; Health System Recovery; Intensive Outpatient Support; Portland Crisis Center; CHIP expansion; Licensing Staff; Improve Disability Services; Child Welfare Programs; Flavored Tobacco Sales Ban; Increase Medicaid Stabilization	
Climate Change & Environment	LIHEAP Weatherization; Transit Program Support	Clean Energy Jobs; Energy Efficiency; Efficient Housing; Broadband Resilience Infrastructure, Forest, Fishing, & Farming Sectors; EV charging Sewer & Water; Rural Transit	PFAS remediation; Outdoor Recreation; Forest Service; Marine Resources & Research; Dam Restoration: Culverts; Community Support for Resilience & Energy	Natural & Working Lands Conservation Bond
Jobs & Workforce	Unemployment Program Support	Historic CTE & Higher Education; Targeted workforce training sectors Housing; Unemployment Trust Fund	Nursing Facilities Workforce; Career Center Programs; Higher education Investments	
Economic Development	Business Recovery Programs; Capital Support	Historic Investments in Recovery & Growth; Innovation: Broadband; Heritage Industries and Outdoor Recreation; Licensing Reform	"Working Communities Challenge"; Wind and Aquaculture investments; Renewable Energy Facilities Tax Credit	
Education	Historic Investment in Education and School COVID Response	Pre-K Infrastructure Funding	Significant Education Funds; Higher Education; Significant School Renovation; Maine State Grant program	
Child Care	Historic Investment in Child Care	Childcare Infrastructure Funding	Medicaid/CHIP expansion; Funding for Children in Care; Children and Family Services Staffing Capacity; Child Welfare IT Reforms	
Housing	Homelessness Assistance Rental & Mortgage Relief	Significant Housing Development Investments and Weatherization and Efficiency Programs	Growth in HOME Funds	

Looking Across All Opportunities

How Maine People Will Benefit: By Group

Sectors	ARP: Earmarked	ARP: Unearmarked	Budget	Bond
Property Tax-Payers & Average Mainers	COVID-19 Response; Federal Stimulus Payments; Child Tax Credit; Funding for Maine Cities & Towns; Transportation Funding; Small Business Programs; Affordable Health Care Funding	Home Energy Programs Broadband Community Investments Education & Workforce Training Outdoor Recreation Investments in State Parks, Fishing and Wildlife Programs and Marine Sector; Small Business Support	Significant Increase in School Funding; Revenue Sharing for Communities; One-time Stimulus through Tax Programs and Conformity; Transportation Investments; Increased Property Tax Fairness Credit	Transportation Funding Natural & Working Lands for Recreation; Waterfront Access; Farms
Children & Youth	Historic Education Funding; Historic Child Care Funding; Women, Infants & Children Program	Childcare Infrastructure; Career & Technical Education, Higher Ed; Career Exploration; Maine State Grant Program	Significant Education Funding; Child Welfare Workers; Increased Funding for children in care; Expanded CHIP and dental care	
Older Mainers	Home-Delivered Meals; Home Care Reform	Broadband; Rural Transportation; Targeted Weatherization	Nursing Facility Workforce Support; One-time Stimulus through Tax Programs; Dental coverage; Property tax fairness credit increase	
Low-Income Mainers	Tax Credits; Significant Housing Supports; SNAP and TANF Supplement	Childcare Program Expansion; Workforce Development; Affordable Housing Investment; Rural Workforce Transportation; Targeted Weatherization	MaineCare Reforms; One-time Stimulus supports through Tax Programs; New Dental Care Coverage	
People of Color	Health Disparities Funding	Diversity, Equity and Inclusion Initiative; Targeted support for disadvantaged business	Funding for Health Equity; Funding for Permanent Commission	
People with Disabilities	Home-Care Reform Education Supports; Significant Support for Adults with Disabilities	Targeted Workforce Development	Develop a Lifespan Waiver; Fill Short-Term Gaps	

II. Maine Jobs & Recovery Plan

DHHS-Specific Initiatives

- **Health Care Workforce:** The Plan invests \$15 million to expand industry partnerships, build career ladders (e.g., from a certified nursing assistant to a registered nurse), promote and incentivize opportunities in rural health care settings, and support diversification of the workforce. It will also create one-time dedicated pools of funding for hospitals and for nursing homes to help recruit and retain workers in critical areas, in a public-private partnership model.
- **Child Care Infrastructure:** The American Rescue Plan makes the single biggest investment in child care since World War II, with Maine using Federal funds to improve access, quality, and the workforce. The coronavirus laws combined invest \$169 million in child care in Maine. The Maine Jobs & Recovery Plan offers \$10 million for construction to expand the number of size of sites.

III. Supplemental (Part 2) Budget

- A. MaineCare Initiatives**
- B. Non-MaineCare Budget Initiatives**
- C. Other Reforms**

A. MaineCare Initiatives

- 1. Context**
- 2. New Temporary COVID-19 Supports**
- 3. MaineCare Reform in the Supplemental Budget**
- 4. Adjusted Original Budget Initiatives**
- 5. Summary**

1. Context

Two years ago, the Mills Administration had **two priorities for MaineCare:**

- **Expand Medicaid:** This option is at least 90% Federally funded. Enrollment was:
 - 0 in December 2018;
 - 44,185 in February 2020;
 - 77,838 in May 2021: above the original target of 70,000, about 75% higher than pre-pandemic
 - Expansion has been critical during the pandemic. It:
 - *Ensured coverage* for COVID-19 testing, treatment, and vaccination;
 - *Lowered uncompensated care* by preventing people losing their jobs from losing health coverage, and causing hospitals and other providers to lose a source of payment; and
 - *Protected the State budget* since 90% of the cost of increased MaineCare enrollment due to the loss of job-based coverage is Federally funded.
- **Improve how MaineCare supports accessible, quality care:** This included taking short-term action while launching a Comprehensive Rate System Evaluation to ensure a rational and sustainable foundation for the future.

Pre-Pandemic Actions

In 2019 and early 2020, actions **targeted areas that couldn't wait**, including:

- Increased **nursing facility payments** of 22 percent between 2018 and 2020. After six nursing facilities closed in 2018, none closed in 2019, 2020, or the first quarter of 2021.
- Overdue rate increases of 23 to 30 percent for **personal support services and direct care workers**: While enacted for FY 2021, the Department chose to implement three months early, on April 1, 2020.
- Addressing **waiver services for adults with development or intellectual disabilities**, including lowering the waitlist for Section 29 services, implementing rate increases based on required rate studies, and starting system reform toward a more consumer-focused system.
- Filling urgent **behavioral health system gaps**: This included recertifying Riverview, work to opening the geropsych unit at Dorothea Dix, forging a plan to end the AMHI consent decree, securing approval for a Medicaid waiver to support a spectrum of substance use disorder services, and expanding crisis services (e.g., rate investments in multi-systemic therapy and functional family therapy, home and community-based treatment, medication management, and Medication Assisted Treatment).

Pandemic Actions to Date

When COVID-19 hit Maine, **MaineCare actions** included:

- Temporary rate increases for long term services and supports: From March to May 2020
- Per-member per-month payments for behavioral health (July to August 2020) and child health (September to December 2020)
- Outbreak rates for nursing and residential care facilities: Ongoing
- COVID-19 testing payments for nursing and residential care facilities: Ongoing
- Regulatory flexibility: Ongoing Appendix K waivers that allow for lower staffing ratios; waiving the low occupancy penalty for nursing facilities

The **FY21 Supplemental** included a new \$13 million (\$4M GF) behavioral health supplemental and a \$19 million (\$5.7M GF) retainer payment to IDD providers.

Federal **Provider Relief Funds** directly to Maine health care providers: \$653 million as of May 11, 2021 (amount from Paycheck Protection Program and FEMA unknown).

Maine dedicated \$30 million in dedicated **Coronavirus Relief Fund's** Economic Recovery Grant funds to health care providers: \$5 million was applied for and distributed to eligible providers.

2. New Temporary COVID-19 Supports

\$88 Million in Time-Limited Payments

\$15.4 Million Budget Initiative: One-time MaineCare supplemental payments would be offered during the public health emergency in FY22 to:

- **Nursing and Residential Care Facilities:** \$40 million (\$10 million GF) to support facilities facing lower occupancy due to the pandemic and to fund increased staffing costs such as hero pay, sign-on bonuses, recruitment, and agency staffing.
- **Hospitals:** \$23 million (\$5.4 million GF) for workforce: support staffing costs such as costs of hero pay, sign-on bonuses, recruitment, and agency staffing. July-December.

\$25 Million Coronavirus Relief Fund: Recognizing the significant impact in 2020 and early due to the pandemic, the Department will provide \$25 million not claimed from the \$30 million offered to health care providers in December 2020 to hospitals, nursing facilities and residential care facilities in the short run.

Additional Federal Provider Relief Fund: An estimated \$30 billion has yet to be allocated from CARES Act; the FY2021 Consolidated Appropriations Act provided an additional \$3 billion in PRF; and American Rescue Plan has \$7.6 billion for community health centers and \$50 million for Family Planning.

3. MaineCare Reform in the Supplemental Budget: Why Now

- **Readiness:** The pre-pandemic plan was to start MaineCare reforms in the FY 2022-23 biennium. While initially behind, the budget process this spring has provided extra time to enable readiness.
- **Some proposals will yield long-term savings:** Upfront investment now will yield cost savings and improved health in the future.
- **Rate reforms support economic recovery:** The health sector is the largest employer in Maine. Additional supplemental payments plus rational reforms will help bridge to post-pandemic stability.
- **Budget outlook supports launch:** Improved outlook allows for consideration of changes.
- **Increased Federal Medicaid financing supports sustainability:** The supplemental would deposit into the Medicaid Stabilization Fund the freed-up general funds from Federal Medicaid matching rate increase (FMAP bump) to invest in reforms and sustainability into the next biennium (FY 2024-25).

Comprehensive Rate System Evaluation: Background

- In 2019, DHHS and MaineCare launched a comprehensive rate system analysis to:
 - Document history of rate changes and methodologies
 - Compare rates to other Medicaid programs, Medicare, and Maine's commercial health insurance rates
- Purpose: To serve as the basis to inform policy making
 - Support initiatives to update outdated or irrational rates
 - Ground rate changes in data-driven, rigorous, value-based methodologies
- While the original intent was to complete it for the SFY 2022-23 biennial budget process, COVID-19 slowed it down

Comprehensive Rate System Evaluation: Deliverables

November 2020

Benchmarking Report

- Compares MaineCare reimbursement rates with rates for similar services from Medicaid comparison states, Medicare, and commercial payers.

January 2021

Interim Report

- Recommendations to simplify and streamline rate setting system.
- Recommended prioritization of services for rate review.
- Estimates of associated investments.

March 2021

Implementation Plan

- Incorporates DHHS' recent, in-progress & planned rate adjustments into prioritization.
- Presents recommendations, rationale, and estimated effective date by policy section and service category.

Results: Current State

- **Outdated:**

- Rates in over 40% of MaineCare policies have no schedule for review.
- Rates in almost 40% of MaineCare policies have not been updated since prior to 2015.

- **Inconsistent:**

- Rates benchmarking Medicare utilize a range of percentages and benchmarks from various different years.

- **Often no basis:**

- Rates in almost 30% of polices are “legacy rates” for which no methodology is available.

- **Complex:**

- Management of myriad, inconsistent methodologies and different timelines for adjustment is administratively burdensome and confusing for providers and the Department.

Benchmark Report: Relative Reimbursement Rates for MaineCare Services

MaineCare Sections of Policy	Service Category	Avg % of Medicaid/Medicare Comparison Rates	Avg % of Median ME Commercial Rates
25	Dental Endodontics Services	46%	20%
85	Physical Therapy	52%	44%
25	Dental Prosthodontics (Fixed)	53%	29%
68	Occupational Therapy	55%	50%
14	Certified RN Anesthetists	55%	--
4	Ambulatory Surgical Ctr Svcs	120%	127%
18, 20, 21, 29, 102	HCBS Supported Employment	135%	--
18, 20, 21, 29, 102	HCBS Residential Habilitation	136%	--
18, 20, 21, 29, 102	HCBS Day Habilitation	150%	--
5	Ambulance	183%	84%

5 service categories with lowest relative rates

5 service categories with highest relative rates

Key: Relative Rate Levels Across MC Svcs
High Outlier
Top Tier
Above Ave Tier
Below Ave Tier
Bottom Tier
Low Outlier

Note: A rate study was conducted to ensure appropriate reimbursement for HCBS Supported Employment, Day & Residential Habilitation. High comparison to benchmarks may reflect need for payment methodology and system reform.

Report Recommendations to Department

- Establish consistent and rational bases for rates
- Utilize consistent Medicare benchmarks across services, where available
- Review and update methodologies and rates on a regular schedule; consider creating a technical advisory body and/or supporting a cost board that reviews spending and targets
- Move away from cost settlement (for example, overhaul of nursing facility payment system)
- Move toward payments that hold providers accountable for cost and quality (for example, move to hospital bundled payments)
 - Goal to move 40% of MaineCare dollars to payments tied to performance by end of 2022



Proposed Plan for Rate System Evaluation Implementation

- A. Target services for adjustment in the biennium where clear case for investment, high potential to reduce downstream costs and improve member health, alignment with Department priorities

- B. Conduct rate studies on services during the biennium where:
 - Needed to ensure rates are appropriate- may be potential for cost savings among some services
 - Need to improve accountability for cost and quality, reduce administrative complexity

- C. Formalize long-run schedule for regular rate adjustments through an LD for 2022:
 - Regular cost of living and Medicare Fee Schedule adjustments
 - Rate studies every five years
 - Create Technical Advisory Panel

A. Target Services for Rate Adjustments

Criteria: Launch-ready, clear case for investment, high potential to reduce downstream costs and improve member health, alignment with Department priorities

- **Standardize rates based on Medicare:** Set 13 different payment rates that currently range from 52 to 111% of 2020 Medicare to 71.4% of current year Medicare to ensure fairness and consistency. This also helps raise some of the lowest rates in MaineCare.
- **Targeted Investments:** the Rate System Evaluation and recent rate studies also supported the case for increased reimbursement for:
 - Dental services
 - Substance use disorder (SUD) intensive outpatient (IOP) services
 - Residential SUD treatment rates.

B. Prioritize Services for Rate Studies to Ensure Data-Driven, Appropriate Rates

Conduct rate studies on services during the biennium where there is a need to:

- Ensure rates are appropriate, including potential for cost savings among some services;
- Improve accountability for cost and quality, reduce administrative complexity;
- Update outdated rates and align with Department priorities.

Initial priorities:

- Service-specific: Targeted Case Management, Ambulance, PNMIs, PRTF, Family Planning, Primary Care 2.0
- System-wide: Behavioral Health, Hospitals, Nursing Facilities

The proposal supports execution of such studies as well as necessary staff and resources to oversee and implement recommended changes.

C. Formalize Rate Adjustment Schedule & Process

- **Provide cost-of-living adjustments:** Increase rates for 16 services that do not otherwise receive regular adjustments by a standard amount to reflect increases in wages, prices and other inputs.
- **Formalize long-run schedule:** This includes ongoing regular rate adjustments through a planned LD for 2022 to:
 - Implement regular cost-of-living and Medicare Fee Schedule adjustments;
 - Conduct rate studies every five years that must incorporate provider data and solicit stakeholder input; and
 - Create a Technical Advisory Panel to review recommended adjustments on a prescribed schedule.

Summary of MaineCare Rate System Reform Initial Proposals

Policy area	FY22 Total	FY22 GF	FY23 Total	FY23 GF	Biennial GF Total
Medicare benchmark standardization (13 svcs including PT, OT, Podiatry, +)	\$0	\$0	\$30.7M	\$9.7M	\$9.7M
Provide cost of living adjustments to rates (18 svcs)	\$0	\$0	\$31.0M	\$8.4M	\$8.4M
Dental rates	\$0	\$0	\$8.6M	\$2.8M	\$2.8M
SUD Intensive Outpatient (IOP) Services	\$1.2M	\$170k	\$2.4M	\$340k	\$510k
Residential SUD treatment rates	\$1.1M	\$150k	\$1.5M	\$210k	\$360k
Rate methodology studies/ quality management support	\$1.9M	\$840k	\$1.7M	\$740k	\$1.6M
Subtotal	\$4.2M	\$1.2M	\$76.0M	\$22.2M	\$23.4M

Value-Based Initiatives

- **Medicaid reform includes aligning policies to promote early, effective health care to improve health outcomes, reduce the treatment cost of preventable conditions, and improve the long-run program sustainability**
- **MaineCare reform in the Supplemental Budget includes:**
 - **Hospital Supplemental Payment:** Extra amount allocated to promote the provision of value-based care.
 - **Diabetes Prevention Program:** Evidence-based, multi-payer, national CDC program proven to reduce onset of Type II diabetes and associated costs.
 - **Adult Dental Benefit:** Covering preventive and routine dental care will prevent the high costs currently incurred in MaineCare's emergency dental benefit; evidence suggests it will also improve members' mental and physical health and job prospects.
 - **Permanent Supportive Housing Services:** Evidence-based care management services for the chronically homeless. Decreases Emergency Room, inpatient, and public safety costs. Majority expansion population at 90% match.
 - **Coverage of Immigrant Children and Pregnant People:** Restores state-funded coverage for children and pregnant people whose immigration status makes them ineligible for Medicaid or CHIP. Decreases Emergency Room and inpatient costs; supports prevention.

Value-Based Initiatives: Behavioral Health

- **Coordinated Specialty Care:** Evidence-based program for transition-aged youth experiencing first episode psychosis. Decreases Emergency Room, inpatient, and public safety costs.
- **1115 Substance Use Disorder (SUD) Waiver initiatives:** Promote effective treatment and recovery, family unity. CMS requires demonstration of cost neutrality. Majority expansion population at 90% match.
- **MaineMOM Integrated Care:** Promotes effective treatment and recovery, improved birth outcomes, family unity. Reduce infant and maternal mortality. CMS requires demonstration of cost neutrality.
- **Certified Community Behavioral Health Clinic Model Development:** Funds assessments and other work necessary to reform behavioral health service delivery and payment to promote integrated care and provider accountability for health outcomes.
 - The American Rescue Plan provides additional grants for such clinics.
 - The American Rescue Plan provides enhanced match for mobile crisis services that will be explored in the coming year.

Value-Based Initiatives

Policy area	FY22 Total	FY22 GF	FY23 Total	FY23 GF	Biennial GF Total
Hospital Value-Based Supplemental	\$600k	\$170k	\$600k	\$180k	\$350k
Diabetes Prevention Program	-	-	\$1.6M	\$540k	\$540k
Adult Dental Benefit	-	-	\$30.1M	\$12.3M	\$12.3M
Permanent Supportive Housing Services	\$250k	\$40k	\$1.7M	\$280k	\$320k
Coverage of Low-Income Immigrant Children & Pregnant People	\$640k	\$420k	\$2.8M	\$1.5M	\$2.0M
Coordinated Specialty Care/ First Episode Psychosis	-	-	\$7.0M	\$1.6M	\$1.6M
1115 Residential SUD expanded beds	\$930k	\$120k	\$930k	\$130k	\$250k
1115 SUD Parenting/ Recovery Pilots	\$2.9M	\$1.0M	\$6.1M	\$2.2M	\$3.2M
MaineMOM Integrated MAT & maternity care	\$970k	\$340k	\$3.7M	\$1.3M	\$1.6M
Certified Community Behavioral Health Clinics: Needs Assessment, TA*	\$100k	\$50k	\$450k	\$230k	\$280k
Subtotal	\$6.4M	\$2.2M	\$67.2M	\$20.3M	\$22.4M

*One-time investment distinct from ARPA option.

Paying for MaineCare Reform

- **Total general fund impact of MaineCare reform initiatives in FY 2022-23 supplemental budget:**
 - \$23.4 million for rate system implementation
 - \$22.4 million for value-based initiatives
 - **\$45.9 million**
- **Use Federal Medicaid Relief to Support Ongoing Reforms:**
 - **\$90 million** from the increased Federal Medicaid matching rate during the public health emergency to be deposited in Medicaid Stabilization Fund to:
 - Implement additional reforms as rate studies are concluded
 - Sustain reforms in the FY 24-25 biennial budget

4. Adjusted Original Budget Initiatives

Adjustments based on changed circumstances and new information:

- **Mental Health Intensive Outpatient Program & Children's Residential Services:** Updated to reflect draft rates now available from rate studies.
- **340B Initiative:** Delaying to FY 2023 to allow for transition. Lowers savings by \$2M GF in FY22.
- **IMD Outpatient Savings:** Eliminated in light of ongoing COVID-19 costs and need to coordinate with broader hospital rate reform work beginning in FY22. Previous savings: \$680k.
- **Psych Unit Discharge Rate Reduction:** Eliminated in light of ongoing COVID-19 costs and need to coordinate with broader hospital rate reform work beginning in FY22. Previous savings: \$1.4M.
- **MaineCare Account Consolidation:** Delayed until FY 2023 to allow for implementation.

Adjusted Original Budget Initiatives

Policy area	FY22 Total	FY22 GF	FY23 Total	FY23 GF	Biennial GF Total
MMIS Family Planning FMAP (revised)	-	(\$500k)	-	(\$500k)	(\$990k)
NET (revised)	\$3.5M	\$970k	-	-	\$970k
Mental Health Intensive Outpatient Program (revised)	\$2.2M	\$500k	\$17.6M	\$3.7M	\$4.2M
Children's Residential Services (revised)	\$1.9M	\$600k	\$17.1M	\$5.7M	\$6.4M
Rate increase for Family Centered Homes	\$410k	\$120k	\$1.2M	\$220k	\$340k
Start 340B Savings on 7-1-22 (revised)	-	-	(\$6.9M)	(\$2.1M)	(\$2.1M)
Preferred drug list (revised)	(\$1.2M)	(\$340k)	(\$2.0M)	(\$600)	(\$940k)
MaineCare consolidation (revised)	-	-	-	(\$3M)	(\$3M)
OADS Community First Choice FMAP (zeroed out)	-	-	-	-	-
IMD outpatient services (zeroed out)	-	-	-	-	-
Psych discharge rate (zeroed out)	-	-	-	-	-
Total	\$6.8M	\$1.35M	\$27M	\$3.2M	\$4.88M

5. Summary

Overall Governor's MaineCare Investments Budget Proposal (GF):

New/Adjusted Initiatives: \$156.08 million

- \$15.4 million in temporary supplemental payments for hospitals, nursing homes and residential care facilities
- \$22.4 million in MaineCare rate reforms
- \$23.4 million in value-based initiatives
- \$90 million to Medicaid Stabilization Fund
- \$4.88 million in adjustments to the original biennial budget

B. Non-MaineCare Budget Initiatives

New budget initiatives included in Part 2:

- **Establishes 40 new positions (28 permanent, 12 LPP):** Critical positions to continue to rebuild the public health infrastructure, support continued MaineCare reform, and create other priority positions
- **Continues 16 limited-period positions (LPP):** These positions currently exist and are encumbered
- **Provides funding for child welfare payments:** To support the number of kids in care and help to resolve structural gap
- **Provided funding for OFI technology costs:** To support ongoing technology costs across several system and help to resolve structural gap
- **Align State-Based Marketplace (SBM) allotment:** Increase allotment for SBM in alignment with projected revenue
- **Transfer youth SUD contracts:** Transfers youth SUD contracts from OBH to OCFS
- **Align Revenue Forecast with budget:** Routine initiative to balance incoming revenues with proposed budget

Non-MaineCare Budget Initiatives

	FY22 Total	FY22 GF	FY23 Total	FY23 GF	Biennial GF Total
New positions	\$2,981,133	\$1,814,077	\$3,122,379	\$1,898,706	\$3,712,783
Continuing LPPs	\$1,601,165	\$181,044	\$1,536,539	\$122,681	\$303,725
Child welfare payments	\$5,732,390	\$4,626,162	\$5,732,390	\$4,626,162	\$9,252,324
OFI technology	\$4,423,580	\$1,723,113	\$4,423,580	\$1,723,113	\$3,446,226
SBM allotment	\$6,604,172	\$0	\$12,179,227	\$0	\$0
Transfer youth SUD contracts	\$0	\$0	\$0	\$0	\$0
Align with Revenue Forecast	\$0	\$4,988,037	\$0	\$4,988,037	\$9,976,074
Total	\$21,342,440	\$13,332,433	\$26,994,115	\$13,358,699	\$26,691,132

Non-MaineCare Budget Initiatives

Initiatives that were adjusted in Part 2:

- **Provided funding for advocacy services from Disability Rights Maine funding:** Increases funding after further coordination regarding Consent Decree agreement (\$184k to \$253k annual GF total)

Initiatives that were removed from Part 2:

- **Eliminated program efficiencies from the Commissioner's Office, OCFS, and OADS:** Removed savings initiatives tied to office space consolidation (-\$174k annual savings), and other one-time savings from OADS (-\$200k annual savings) and OCFS (-\$200k annual savings)
- Two initiatives were inadvertently left in the budget:
 - MaineCare Admin account savings (-\$500k annually), and
 - Enhanced FMAP for the Community First Choice Option eligibility (-\$741k in FY22 and -\$1.482M in FY23)

C. Other Reforms

- **Mental Health Reforms:** Expands the continuum of service through \$60.9 million (\$19.2 million general fund) in mental health reforms across the biennial, as well as Federal funds for mental health programs.*
- **Substance Use Disorder Response:** Builds on MaineCare expansion, MAT rate increases, and Fund for Healthy Maine investments through initiatives totaling \$29.7 million (\$8.5 million general fund) for SUD response.*
- **Home- and Community-Based Care:** The work started in 2019 on rebalancing the system and creating life-span waivers is continued in the budget – and will be significantly expanded with the dedicated funds of at least \$75 million from the American Rescue Plan. Initial guidance was issued May 13, stakeholder sessions are planned, and a plan is due June 12. This will be used in part to supplement wages for existing direct support workers and create incentives to attract new workers.
- **Rebuilding Public Health:** Includes \$10 million for Maine CDC structural gaps and staffing which is being complemented by increased U.S. CDC grants including \$8.8 million that is mostly for the public health workforce and \$177 million in supplemental Epidemiology and Laboratory Capacity Grants.