

OFPR Expenditure Review through 2nd Quarter SFY 2022

MaineCare Expenditure Detail through 2nd Quarter of SFY 2022

MaineCare Expenditure Table 1 uses expenditure data from the State’s financial warehouse (MFASIS) through 6 months of FY 2022 to compare MaineCare expenditures by expenditure category for the last three fiscal years. MaineCare “All Funds” spending through 6 months of FY 2022 increased by \$180.8 million from FY 2021 to FY 2022. As detailed in MaineCare Table 1, FY 2022 spending through 6 months increased in the hospital services, residential care, laboratory, and clinic services expenditure categories; and decreased in the other professionals and rehabilitation services expenditure categories. These increases were expected due to two items: 1) Medicaid expansion expenses increased by over \$73 million, 2) Rate increases and program changes to multiple services during the 130th legislature effective July 1, 2021. See Exhibit A and B for a detailed breakdown of the Medicaid Expansion expenditures and the estimated change due to rate increase and program changes.

FY 2022 MaineCare “All Funds” spending through 6 months increased by 10% over last year’s spending. MaineCare Expenditure Table 1 also shows that aggregate General Fund expenditures through 6 months of FY 2022 increased by 17.2% compared to FY 2021. This increase was expected due to two items: 1) Medicaid expansion expenses increased by over \$7.6 million, 2) Rate increases and program changes to multiple services during the 130th legislature effective July 1, 2021. See Exhibit B for a more detailed breakdown of these expected changes. The current General Fund spending is in-line with the legislatively approved amount for FY 2022.

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

MaineCare Expenditure Table 1.

MaineCare and Related Expenditures Detail Through 6 Months

All Funds - Through 6 Months

Expenditure Categories	FY 2020	FY 2021	FY 2022	Chgs. FY 2021 to FY 2022	
	6 Months	6 Months	6 Months	\$	%
1 Hospital Services	\$375,231,075	\$406,126,550	\$488,567,277	\$82,440,726	20.3%
2 Residential Care	\$350,274,568	\$376,218,839	\$465,206,262	\$88,987,422	23.7%
3 HCBS Waivers	\$270,734,131	\$301,252,212	\$300,745,300	(\$506,912)	-0.2%
4 Pharmacy and Related	\$89,787,450	\$87,586,933	\$95,117,584	\$7,530,651	8.6%
5 Devices and Supplies	\$14,744,956	\$17,007,720	\$17,281,426	\$273,706	1.6%
6 Medical Professionals	\$79,116,668	\$92,924,039	\$92,364,119	(\$559,920)	-0.6%
7 Other Professionals	\$3,791,869	\$13,634,055	\$4,680,470	(\$8,953,585)	-65.7%
8 Dentistry	\$11,651,310	\$11,167,528	\$10,886,155	(\$281,373)	-2.5%
9 Medicare Deductible and Co-insurance	\$44,157,445	\$42,542,221	\$42,863,883	\$321,663	0.8%
10 Medicare A, B, D Premiums	\$98,693,552	\$98,040,089	\$107,765,691	\$9,725,602	9.9%
11 Laboratory	\$6,258,077	\$7,549,890	\$8,824,810	\$1,276,920	16.9%
12 Health Homes	\$36,765,502	\$42,317,813	\$43,447,067	\$1,129,254	2.7%
13 Behavioral Health Services	\$95,907,557	\$102,654,950	\$106,358,070	\$3,703,120	3.6%
14 Clinic Services	\$33,176,158	\$35,026,348	\$38,981,996	\$3,955,649	11.3%
15 Home Health	\$5,596,234	\$6,397,514	\$6,671,559	\$274,045	4.3%
16 Rehabilitation Services	\$35,602,226	\$35,484,198	\$26,296,883	(\$9,187,315)	-25.9%
17 Case Management	\$18,930,409	\$19,262,610	\$18,708,987	(\$553,623)	-2.9%
18 School-Based Services	\$31,583,961	\$28,499,538	\$28,122,593	(\$376,945)	-1.3%
19 Transportation Services	\$28,466,664	\$32,045,310	\$34,137,019	\$2,091,709	6.5%
20 Other Expenditure Codes	\$19,795,207	\$16,666,313	\$14,353,267	(\$2,313,046)	-13.9%
21 Accounting Adjustments	(\$3,034,433)	(\$5,626,819)	(\$248,283)	\$5,378,536	-95.6%
22 Other Adjustments	(\$10,239,684)	(\$12,670,966)	(\$16,210,439)	(\$3,539,473)	27.9%
All Funds Total	\$1,636,990,900	\$1,754,106,884	\$1,934,921,696	\$180,814,812	10.3%
Minus Accounting and Other Adjustments ¹	\$11,501,498	\$17,014,069	\$13,953,378	(\$3,060,691)	-18.0%
All Funds Adjusted Total	\$1,648,492,398	\$1,771,120,953	\$1,948,875,073	\$177,754,121	10.0%
General Fund Totals	\$498,778,435	\$375,722,146	\$446,187,847	\$70,465,701	18.8%
Minus Accounting and Other Adjustments ¹	\$6,708,266	\$9,432,502	\$5,108,141	(\$4,324,361)	-45.8%
General Fund Adjusted Totals	\$505,486,701	\$385,154,648	\$451,295,988	\$66,141,340	17.2%

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 2nd Quarter SFY 2022

Exhibit A

Medicaid Expansion Impact - By Funds

Through the 2nd Quarter of SFY 2022

Expenditure Categories	SFY 2021	SFY 2022	Difference
1 Hospital Services	\$ 145,728,161	\$ 206,092,816	\$ 60,364,654
2 Residential Care	\$ 6,262,675	\$ 5,878,882	\$ (383,792)
3 HCBS Waivers	\$ 2,319,042	\$ (121,672)	\$ (2,440,714)
4 Pharmacy and Related	\$ 33,498,048	\$ 36,985,875	\$ 3,487,826
5 Devices and Supplies	\$ 3,010,436	\$ 3,519,651	\$ 509,215
6 Medical Professionals	\$ 24,534,865	\$ 27,890,145	\$ 3,355,280
7 Other Professionals	\$ 1,020,990	\$ 1,213,966	\$ 192,976
8 Dentistry	\$ 1,331,614	\$ 1,294,826	\$ (36,788)
9 Medicare Deductible and Co-insurance	\$ 122,571	\$ 241,318	\$ 118,747
11 Laboratory	\$ 3,220,825	\$ 3,513,114	\$ 292,289
12 Health Homes	\$ 6,272,266	\$ 7,828,658	\$ 1,556,392
13 Behavioral Health Services	\$ 13,673,579	\$ 16,437,633	\$ 2,764,054
14 Clinic Services	\$ 10,214,853	\$ 12,186,475	\$ 1,971,623
15 Home Health	\$ 841,485	\$ 864,345	\$ 22,859
16 Rehabilitation Services	\$ 720,968	\$ 692,301	\$ (28,667)
17 Case Management	\$ 755,057	\$ 841,509	\$ 86,452
18 School Based Services	\$ 14,666	\$ 10,711	\$ (3,955)
19 Transportation Services	\$ 8,821,772	\$ 10,871,824	\$ 2,050,052
20 Other Expenditure Codes	\$ 8,741	\$ 6,913	\$ (1,828)
Medicaid Expansion Total	\$ 262,372,614	\$ 336,249,290	\$ 73,876,676

Quarterly Estimated Increase From Rate Changes through the 2nd Quarter SFY 2022.

Many of the changes were effective July 1, 2022 and would increase overall spending. These are estimates based on the initial appropriations and allocations provided by the legislature and will not be exact spending.

\$ 87,126,859

Estimated All Funds increase when including program changes and rate increases **\$ 161,003,535**

Exhibit B

Medicaid Expansion Impact - By Funds

Through the 2nd Quarter of SFY 2022

Expenditure Categories	SFY 2021	SFY 2022	Difference
1 Hospital Services	\$ 17,117,506	\$ 22,573,187	\$ 5,455,681
2 Residential Care	\$ 651,965	\$ 604,997	\$ (46,969)
3 HCBS Waivers	\$ 2,319,042	\$ (122,146)	\$ (2,441,188)
4 Pharmacy and Related	\$ 7,399,885	\$ 10,154,156	\$ 2,754,271
5 Devices and Supplies	\$ 408,786	\$ 545,802	\$ 137,016
6 Medical Professionals	\$ 2,953,194	\$ 3,478,159	\$ 524,965
7 Other Professionals	\$ 126,930	\$ 150,558	\$ 23,628
8 Dentistry	\$ 174,162	\$ 173,598	\$ (564)
9 Medicare Deductible and Co-insurance	\$ 15,588	\$ 30,712	\$ 15,124
11 Laboratory	\$ 386,899	\$ 445,313	\$ 58,414
12 Health Homes	\$ 741,513	\$ 968,826	\$ 227,313
13 Behavioral Health Services	\$ 1,602,096	\$ 1,965,034	\$ 362,938
14 Clinic Services	\$ 1,227,077	\$ 1,514,916	\$ 287,839
15 Home Health	\$ 88,663	\$ 97,124	\$ 8,461
16 Rehabilitation Services	\$ 82,938	\$ 86,211	\$ 3,274
17 Case Management	\$ 78,538	\$ 96,296	\$ 17,759
18 School Based Services	\$ 1,466	\$ 1,071	\$ (396)
19 Transportation Services	\$ 1,132,504	\$ 1,423,803	\$ 291,299
20 Other Expenditure Codes	\$ 882	\$ 691	\$ (191)
Medicaid Expansion Total	\$ 36,509,637	\$ 44,188,311	\$ 7,678,674

Quarterly Estimated Increase From Rate Changes through the 2nd Quarter SFY 2022. Many of the changes were effective July 1, 2022 and would increase overall spending. These are estimates based on the initial appropriations and allocations provided by the legislature and will not be exact spending.

\$22,879,255.50

Estimated General Fund increase when including program changes and rate increases **\$ 30,557,929**

OFPR Expenditure Review through 2nd Quarter SFY 2022

Exhibit C

Outline of All Funds Expenditures on Medicaid Expansion Since Inception

Medicaid Expansion Impact - by SFY

Through 12/31/21

Expenditure Categories	SFY 2019	SFY 2020	SFY 2021	SFY 2022	Total
1 Hospital Services	\$ 27,510,310	\$ 128,494,255	\$ 301,874,446	\$ 206,092,816	\$ 663,971,826
2 Residential Care	\$ 1,280,714	\$ 8,246,273	\$ 12,545,459	\$ 5,878,882	\$ 27,951,328
3 HCBS Waivers	\$ 6,563	\$ 1,936,493	\$ 2,814,067	\$ (121,672)	\$ 4,635,452
4 Pharmacy and Related	\$ 8,512,542	\$ 66,352,673	\$ 73,464,254	\$ 36,985,875	\$ 185,315,344
5 Devices and Supplies	\$ 508,123	\$ 3,921,730	\$ 6,306,138	\$ 3,519,651	\$ 14,255,641
6 Medical Professionals	\$ 5,673,060	\$ 31,143,933	\$ 51,260,222	\$ 27,890,145	\$ 115,967,360
7 Other Professionals	\$ 242,429	\$ 1,365,098	\$ 2,185,868	\$ 1,213,966	\$ 5,007,360
8 Dentistry	\$ 340,460	\$ 1,590,054	\$ 2,845,823	\$ 1,294,826	\$ 6,071,164
9 Medicare Deductible and Co-insurance	\$ 28,721	\$ 157,816	\$ 361,133	\$ 241,318	\$ 788,988
11 Laboratory	\$ 1,131,354	\$ 4,352,925	\$ 6,811,194	\$ 3,513,114	\$ 15,808,587
12 Health Homes	\$ 8,642	\$ 6,551,474	\$ 13,745,744	\$ 7,828,658	\$ 28,134,518
13 Behavioral Health Services	\$ 3,119,624	\$ 19,317,004	\$ 28,217,415	\$ 16,437,633	\$ 67,091,676
14 Clinic Services	\$ 4,250,471	\$ 15,747,370	\$ 23,433,776	\$ 12,186,475	\$ 55,618,093
15 Home Health	\$ 257,244	\$ 1,259,255	\$ 1,840,724	\$ 864,345	\$ 4,221,568
16 Rehabilitation Services	\$ 63,255	\$ 555,686	\$ 1,431,756	\$ 692,301	\$ 2,742,997
17 Case Management	\$ 211,703	\$ 1,160,948	\$ 1,532,926	\$ 841,509	\$ 3,747,087
18 School Based Services	\$ 5,034	\$ 47,675	\$ 51,569	\$ 10,711	\$ 114,990
19 Transportation Services	\$ 1,086,670	\$ 15,129,185	\$ 19,413,839	\$ 10,871,824	\$ 46,501,518
20 Other Expenditure Codes	\$ 1,535	\$ 12,632	\$ 16,949	\$ 6,913	\$ 38,028
Medicaid Expansion Total	\$ 54,238,452	\$ 307,342,480	\$ 550,153,302	\$ 336,249,290	\$ 1,247,983,524