



# 127th MAINE LEGISLATURE

LD 854

LR 44(02)

## An Act To Increase Access to Health Security by Expanding Federally Funded Health Care for Maine People

Fiscal Note for Bill as Amended by Committee Amendment " "
Committee: Health and Human Services
Fiscal Note Required: Yes

### Fiscal Note

Table with 5 columns: Category, FY 2015-16, FY 2016-17, Projections FY 2017-18, Projections FY 2018-19. Rows include Net Cost (Savings), Appropriations/Allocations, and Revenue.

#### Fiscal Detail and Notes

Part A of this bill expands medical coverage under the MaineCare program to adults who qualify under federal law with incomes up to 133% of the nonfarm income official poverty line, with the 5% federal income adjustment for family size, and the Medicaid services provided under this paragraph must be provided within the limits of the state and federal funds appropriated and allocated for the program budget. Part A also requires that, on a quarterly basis, the commissioner shall determine the fiscal status of program expenditures as a result of expansion under this paragraph and report the fiscal status of the program. Finally, Part A allows for the termination of the program under two scenarios: 1) after reporting that expenses for services provided under this subsection are anticipated to exceed the appropriated funds or 2) If the federal share for individuals eligible under this paragraph is reduced below the amounts specified in 42 United States Code, Section 1396d(y)(1).

Part B of the bill as amended, includes a General Fund deappropriation of \$13,000,000 in fiscal year 2015-16 and \$27,000,000 in fiscal year 2016-17 in the Executive Branch Departments and Independent Agencies -Statewide program in the Department of Administrative and Financial Services for savings to be identified in existing programs as a result of the expansion of MaineCare eligibility. Part B of the amended bill also requires the Office of Fiscal and Program to do an evaluation of current state programs to identify savings that would result from the MaineCare expansion, identifies programs and populations that may realize savings and deappropriates funds statewide. The specific programs and amount of savings that will be realized and distributed to each program cannot be determined at this time. As a benchmark, a review was done of a report on potential savings created by an outside consulting group, familiar with Medicaid expansions. The review noted that, though the overall saving expected were high, it lead to a reasonable expectation of greater than \$20,000,000 million in savings annually, with the full implementation of the expansion, as identified in this bill.

The bill as amended includes General Fund appropriations of \$1,933,957 in fiscal year 2015-16 and \$2,578,609 in fiscal year 2016-2017 for the Office of Family Independence - District program in the Department of Health and Human Services for the State share of the costs of 103 new positions to administer the MaineCare eligibility expansion. Funding for the new positions reflects a 75% federal match for the 79 Eligibility Specialist positions and a 50% federal match for the other new positions. The funding for the Eligibility Specialist positions assumes a 700 person caseload for each new position. This is the target caseload the Department of Health and Human Services has identified for the Eligibility Specialist positions.

The bill as amended includes a General Fund appropriation of \$9,380,367 in fiscal year 2016-17 to the Department of Health and Human Services for medical costs for newly eligible childless adult population, as shown below. Federal Expenditures Fund allocations totaling \$178,843,392 in fiscal year 2015-16 and \$365,834,327 in fiscal year 2016-17 as shown below. The estimated appropriations and allocations assume 100 percent enhanced federal matching funds through December 31, 2016, 95% enhanced federal matching funds through December 31, 2017, 94% enhanced federal matching funds through December 31, 2018 and 93% enhanced federal matching funds through December 31, 2019, for childless adult population with incomes less than 138% of the federal poverty line.

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Childless Adults @ or below 138% of FPL				
Estimated Population	58,240			
Est. Annual Cost Per Person	\$6,142	\$178,843,392	\$375,214,694	\$393,602,227
Assumed Federal Match		100.0%	97.5%	94.5%
Federal Share of Costs	\$ 178,843,392	\$ 365,834,327	\$ 371,954,105	\$ 386,053,380
State Share of Costs		\$0	\$9,380,367	\$21,648,122
			\$26,837,935	

The bill as amended also includes General Fund appropriations of \$11,184,976 in fiscal year 2015-16 and \$23,465,879 in fiscal year 2016-17 to the Department of Health and Human Services for medical costs for the parent's population from 101% to 138% of the federal poverty level, as shown below. The below assumes 15,455 parents who lost coverage and an additional 4,500 parents who have not had MaineCare in the past, but will opt for MaineCare coverage after expansion. Since this group was eligible under previous rules, they will not be considered newly eligible and the state will receive the Regular FMAP. The bill as amended also includes Federal Expenditures Fund allocations for the parents identified below totaling \$18,777,456 in fiscal year 2015-16 and \$39,394,766 in fiscal year 2016-17, as shown below, for the regular FMAP matching funds.

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Parents (Between 101 and 133% of the Federal Poverty Line)				
Estimated Population	19,955			
Est. Annual Cost Per Person	\$3,003	\$29,962,433	\$62,860,645	\$65,940,100
Assumed Federal Match		62.67%	62.67%	62.67%
Federal Share of Costs	\$18,777,456	\$39,394,766	\$41,324,661	\$43,349,100
State Share of Costs		\$11,184,976	\$23,465,879	\$24,615,439
			\$25,821,316	

The bill as amended also includes General Fund appropriations of \$816,270 in fiscal year 2015-16 and \$1,632,540 in fiscal year 2016-17 to the Department of Health and Human Services for medical costs for the children who have not had MaineCare in the past, but whose family will opt for MaineCare coverage after expansion. Since these children were eligible under previous rules, they will not be considered newly eligible and the state will receive the enhanced CHIP FMAP. The bill as amended also includes Federal Expenditures Fund allocations for the children identified below totaling \$7,633,730 in fiscal year 2015-16 and \$15,267,460 in fiscal year 2016-17, as shown below, for the enhanced CHIP FMAP matching funds.

		FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Crowd-out Children (Between 101 and 133% of the Federal Poverty Line)					
Estimated Population	4,800				
Est. Annual Cost Per Person	\$3,521	\$8,450,000	\$16,900,000	\$16,900,000	\$16,900,000
Assumed Federal Match		90.34%	90.34%	90.34%	90.34%
Federal Share of Costs		\$7,633,730	\$15,267,460	\$15,267,460	\$15,267,460
State Share of Costs		\$816,270	\$1,632,540	\$1,632,540	\$1,632,540

The bill as amended also includes deappropriations for the remaining funding in the baseline for the MaineCare costs of coverage for the parents population from 101% to 138% of the federal poverty line. This group was covered through December 31, 2013, with the possibility of transitional coverage extending through December 31, 2014. The department identified a General Fund total in the baseline for spending on this population, as of May 2014, of \$16,936,665. Of this baseline, \$10,000,000 was deappropriated in PL 2013, c. 595 to fund Section 21 and 29 waitlist members and to increase nursing facility reimbursement rates. Since, there were no subsequent MaineCare appropriations or deappropriations affecting this population during the 126th Legislature, continued funding for this population was included in the 2016-2017 MaineCare biennial budget baseline. This bill deappropriates the remaining \$6,936,665 that still remains in the baseline.

Additional costs for the Legislature's Office of Fiscal and Program Review will be absorbed within existing budgeted resources.