

**Testimony of
Commissioner Benjamin Mann, Deputy Commissioner of Finance,
Department of Health and Human Services**

**Before the Joint Standing Committee on Appropriations and Financial Affairs and
Joint Standing Committee on Health Coverage, Insurance and Financial Services**

**LD 258 “An Act Making Unified Appropriations and Allocations from the General Fund
and Other Funds for the Expenditures of State Government and Changing Certain
Provisions of the Law Necessary to the Proper Operations of State Government for the
Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025”**

Hearing Date: March 1, 2023

Senator Rotundo, Representative Sachs, Senator Bailey, Representative Perry, Members of the Joint Standing Committee on Appropriations and Financial Affairs and Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services; my name is Benjamin Mann and I am the Deputy Commissioner of Finance at the Department of Health and Human Services (DHHS). I am here today to speak in support of LD 258, the Governor’s Biennial Budget proposal for State fiscal years 2024 and 2025.

Overall Budget

This budget advances the Governor’s guiding belief that to build a stronger, more prosperous state where opportunity is available to all, then we must invest in the infrastructure that supports the people of Maine, our greatest asset.

That is why this budget proposal strengthens the very things that Maine people rely on every day to succeed. It builds on the strong success of the currently enacted budget and the work done in last legislative session to tackle Maine’s greatest challenges.

We have governed cautiously and in a fiscally prudent way over the past four years, making sure that – even in the hardest of times during the pandemic – we lived within our means. This budget proposal continues that practice.

Highlights from Department of Health and Human Services

Governor Mills’ budget proposal for the DHHS FY24-25 biennial budget continues policy efforts that were initiated at the beginning of her Administration, such as expanding access to health care and child care, as well as rebuilding critical parts of State government, such as the Maine CDC. This budget makes historic investments in behavioral health, increases supports for older Mainers, and supports a transformation of services for adults with intellectual and developmental disabilities (IDD). The budget also provides funding for cost-of-living

adjustments in numerous MaineCare and related provider payment rates in the wake of high inflation, consistent with Public Law 2021, chapter 398, Part AAAA as well as MaineCare rate reform as codified in Public Law 2021, chapter 639.

My testimony today will focus on four initiatives related to Maine's Health Insurance Marketplace Trust Fund program. As background, Governor Mills' Made for Maine Health Coverage Act, which was unanimously passed by the Maine Legislature in 2020, authorized the creation of a State-run marketplace. The State-run marketplace, or CoverME.gov is operated by the Office of the Health Insurance Marketplace, or OHIM.

I am including the full summary of the DHHS FY24-25 biennial budget in my testimony for your reference, but I do not plan on reading it here. I'll proceed to the budget initiatives.

For the Department's budget as a whole, the Governor is proposing funding of \$638 million (\$316 million General Fund) for fiscal years 2024 and 2025. This would be partially offset by \$59 million in one-time deappropriations and lapse of prior year carrying balances to ensure that we are being fiscally prudent and living within our means.

The biennial budget proposes to invest \$237 million (\$94 million GF) in behavioral health services over the coming biennium. The primary initiative behind this historic investment is a \$166 million (\$63 million GF) increase in MaineCare and related behavioral health rates. The new rates support mental health and substance use disorder services and targeted case management. Many of these rates have not been updated for years. These changes help MaineCare members access and coordinate mental health, medical and social services in their communities. Also included in the \$237 million investment is \$17 million (\$10 million GF) to bolster children's behavioral health services in light of a pressing need to fill gaps in the continuum of services.

This budget proposes to provide \$144 million (\$72 million GF) to expand and improve home based care, the safety of older Mainers, and continues to invest in long term care facilities, including nursing homes. Included in this \$144 million is \$4 million to implement several recommendations from the Elder Justice Roadmap, \$48 million (\$30 million GF) to make community living sustainable for older adults such as supporting home-delivered meals and sustaining the expansion of home-based care (Section 63) enacted in last year's budget, and \$91 million (\$37 million GF) for Maine's nursing homes and residential care facilities (PNMI Cs) and to support reform in how MaineCare pays for long-term care.

The biennial budget proposes \$84 million (\$27 million GF) to support access to services for individuals with IDD and brain injury, including \$34 million (\$11 million GF) to ensure there is no wait for Section 29 services at the start of 2025 by requesting support for an additional 900 people, and \$3 million (\$1 million GF) to fully fund enrolling people served on an emergency basis under Section 21. The budget proposes \$5 million (\$2 million GF) to transform service delivery by creating a new Lifespan waiver, which will address multiple levels of need over an individual's lifetime within a single program. As the Governor said in her budget address, this initiative flips the system to focus on the services individuals need, not on the bureaucracy that provides those

services. This will help give individuals with disabilities, and their caregivers, the peace of mind of a system of adjustable, adaptable, and individualized support.

The majority of the cost of the Department's budget is for policies that are already in current law. The budget provides funding for cost-of-living adjustments in numerous MaineCare and related provider payment rates in the wake of high inflation, consistent with MaineCare rate reform as codified in P.L. 2021 ch. 639. This includes planned rate reform for hospitals and nursing facilities. It proposes ongoing funding for rates that support 125 percent of minimum wage for direct care workers. And it fully funds initiatives that were partly funded in the previous budget such as the rate rebasing for Federally Qualified Health Centers.

Similarly, the Department's budget proposal continues investment in child care and child welfare. Specifically, the budget requests nearly \$8 million to fully fund the child care salary supplements enacted in the FY2022 supplemental budget to so that child care workers will continue to receive increased pay for the critical services they provide. Building on the substantial funding provided in prior budgets, this biennial budget requests nearly \$12 million for foster care and adoption assistance and also provides \$2 million for foster care reimbursement rate increases.

As in the supplemental budget, the biennial budget proposes one-time funding for both the state (\$8 million) and municipalities (\$3 million) to support increased General Assistance costs which have risen dramatically due to the COVID-19 pandemic and policy changes. This funding would serve as a bridge while the Department works with the Legislature, municipalities, and stakeholders toward sustainable policy changes to support the program's goal of serving people in need effectively in the long run.

Lastly, the Department proposes numerous initiatives to support its ongoing operations. This includes, for example, \$3 million to support renovation and maintenance activities at Dorothea Dix Psychiatric Center and Riverview Psychiatric Center. The proposals include \$2 million in general funds for Maine CDC positions such as those needed to conduct testing for PFAS, improve state lab response, and expand drinking water infrastructure projects.

Departmental Biennial Initiatives

The Maine Health Insurance Marketplace Trust Fund program – Z292, on page A-355, supports Maine consumers in purchasing individual health insurance by providing marketing and outreach, individual assistance, and a platform for shopping and enrollment. Funding for this program is derived from a user fee charged on insurance companies offering plans on the Marketplace. This program has four initiatives.

1. The first initiative (C-A-7213) on page A-355 provides allocation to align with available resources. This initiative increases Federal Expenditures Fund All Other allocation by \$500 in state fiscal years 2024 and 2025.

2. The next initiative (C-A-7211) on page **A-355** establishes one Public Service Manager III position funded 100% Maine Health Insurance Marketplace Trust Fund program, Other Special Revenue Funds to support consumer assistance functions, such as overseeing complex eligibility casework and creating additional guidance. This initiative increases Other Special Revenue Funds Personal Services allocation by \$165,237 in state fiscal year 2024 and \$174,105 in state fiscal year 2025 and Other Special Revenue Funds All Other allocation by \$10,682 in state fiscal year 2024 and \$10,896 in state fiscal year 2025.

3. The next initiative (C-A-7203) on page **A-355** establishes one Comprehensive Health Planner II position funded 100% Maine Health Insurance Marketplace Trust Fund program, Other Special Revenue Funds to support consumer assistance functions. This initiative increases Other Special Revenue Funds Personal Services allocation by \$102,377 in state fiscal year 2024 and \$108,189 in state fiscal year 2025 and Other Special Revenue Funds All Other allocation by \$9,165 in state fiscal year 2024 and \$9,305 in state fiscal year 2025.

4. The next initiative (C-A-7202) on page **A-355** establishes one Public Service Coordinator II position funded 100% Maine Health Insurance Marketplace Trust Fund program, Other Special Revenue Funds to support insurance carrier relations. This initiative increases Other Special Revenue Funds Personal Services allocation by \$120,347 in state fiscal year 2024 and \$126,793 in state fiscal year 2025 and Other Special Revenue Funds All Other allocation by \$9,599 in state fiscal year 2024 and \$9,754 in state fiscal year 2025.

Language

The submitted language on page **40L, Part XX**, makes the Executive Director of the State-Based Marketplace appointed by the commissioner and serves at the pleasure of the commissioner.