

**Testimony of the Department of Health and Human Services
Acting Deputy Commissioner of Finance Todd Haber**

Before the Joint Standing Committee on Appropriations and Financial Affairs and
The Joint Standing Committee on Health and Human Services

LD 2212, An Act to Make Supplemental 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, 2026 and June 30, 2027

Hearing Date: February 17, 2026

Senator Rotundo, Representative Gattine, Senator Ingwersen, Representative Meyer, Members of the Joint Standing Committee on Appropriations and Financial Affairs and Members of the Joint Standing Committee on Health and Human Services; my name is Todd Haber, Acting Deputy Commissioner of the Department of Health and Human Services (DHHS). I am here today to outline initiatives in the supplemental budget proposal related to the Department of Health and Human Services and speak in support of LD 2212.

The Maine Department of Health and Human Services is dedicated to promoting health, safety, resilience, and opportunity for Maine people. The Department provides health and social services to roughly a third of the State's population, including children, families, older Mainers, and individuals with disabilities, mental health needs, and substance use disorders. The leadership of the Department understands the importance of these services to the health and wellbeing of not only the people accessing these services but their families as well.

As you are aware, this is the final budget proposal from the Mills Administration. Broadly, the proposal delivers financial relief to Maine people, preserves programs lawmakers and Maine people support, and addresses some emergent issues, including impacts of new federal legislation. Governor Mills' guiding belief has always been that our strongest asset is the people of Maine and that's why this budget, like those in the past, seeks to invest in and support them. The Administration looks forward to working with the Legislature in the coming weeks to enact a balanced budget that supports Maine people and protects the fiscal health of our state.

In light of the tight budget environment, even as expenses and expectations increase, we are proposing to continue most of our operations within existing budgeted amounts. The requests we are proposing are focused on compliance with new federal legislation and maintaining funding for critical health services. I appreciate the opportunity to now speak more specifically to the contents related to the Department of Health and Human Services in the Governor's Supplemental Budget proposal.

Departmental Supplemental Initiatives

The State's collective bargaining unit agreements include negotiated language related to the budgeting process. Reclasses may be initiated by the employee (usually referred to as reclass) or management (usually referred to as reorganization). Approved employee-initiated actions include a retroactive pay component back to the date the request was signed. Our Department's reclass and reorganization requests are summarized at the end of testimony as Appendix A. While we won't read the specifics, we have included the blippie and justification in this testimony on the relevant page in italics for your reference.

Our proposal includes the addition of 105.5 positions. We recognize this request is significant, but we have worked to minimize our request to those positions that are imperative for compliance with federal community engagement requirements, minimizing federal cost sharing within the Supplemental Nutrition Assistance program, and supporting critical health infrastructure. I will describe the need and impact of each request throughout my testimony.

This proposal also includes language requesting the move of some Personal Services funding to All Other. This is language that will allow agencies to self-fund a small number of emergent operating expenses through this biennial. Throughout the dozen agencies with this language, it amounts to a total of \$6.7 million in fiscal year 2025-26 and \$5.3 million in fiscal year 2026-27. For our agency, this is Language Part EEE, and amounts to \$1,040,664 and \$800,000 in fiscal year 2025-26 and fiscal year 2026-27, respectively. I will be testifying in detail on what our agency needs are related to the amount in this language.

This proposal also includes references to the July 2025 Federal Budget Reconciliation law, P.L. 119-21, the so-called One Big Beautiful Bill Act, or also referred to as H.R.1.

One further note before we jump in: there are many initiatives in this budget proposal related to annual change in the Federal Medical Assistance Percentage, or FMAP, rate. This is the federal share of MaineCare, or Medicaid, costs and the 2027 rate was reduced from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. Beginning now and throughout my testimony today and tomorrow, you will hear me reference this several times, as it impacts many accounts and programs.

The Department's budget starts on page **A-75**.

Residential Treatment Facilities Assessment

The first program on page **A-75** is **Residential Treatment Facilities Assessment – Z197**. This program has 1 initiative.

1. This initiative on page **A-75** adjusts funding to align allocations with projected expenditures and available resources. This initiative reduces Other Special Revenue Funds All Other allocation by \$150,000 in state fiscal years 2026 and 2027.

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Consent Decree

The next program on page **A-45** is **Consent Decree – Z204**. This program has one initiative.

1. This initiative (F-A-1932) on page **A-45** provides funding to achieve parity with MaineCare cost-of-living adjustments for certain community behavioral health-related services. Public Law 2025, chapter 388 approved cost-of-living adjustments (COLA) for a wide array of MaineCare sections effective July 1, 2025, and another one effective January 1, 2026. The Office of Behavioral Health funds similar services as Chapter 101: MaineCare Benefits Manual, Chapter III, Sections 13, 17, 65, 97-B, 97-D and 97-E for uninsured clients but was not given commensurate funding for its contracts. This initiative provides General Fund of \$44,460 in state fiscal year 2027. This initiative can also be found on pages A-59, A-60 and A-66.

1. This initiative (F-A-1932) on page A-45 provides funding to achieve parity with MaineCare cost-of-living adjustments for certain community behavioral health-related services. Public Law 2025, chapter 388 approved cost-of-living adjustments (COLA) for a wide array of MaineCare sections effective July 1, 2025, and another one effective January 1, 2026. The Office of Behavioral Health funds similar services as Chapter 101: MaineCare Benefits Manual, Chapter III, Sections 13, 17, 65, 97-B, 97-D and 97-E for uninsured clients but was not given commensurate funding for its contracts. This initiative provides General Fund All Other funding of \$44,460 in state fiscal year 2027. This initiative can also be found on pages A-59, A-60 and A-66.

Disproportionate Share – Dorothea Dix Psychiatric Center

The next program on page **A-48** is **Disproportionate Share – Dorothea Dix Psychiatric Center – Z225**. This program has 2 initiatives.

1. The first initiative (F-A-1406) on page **A-48** adjusts funding for positions in the Riverview Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative provides General Fund of \$851 in state fiscal year 2027. This initiative can also be found on pages A-49 and A-75.

1. The first initiative (F-A-1406) on page A-48 adjusts funding for positions in the Riverview Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage. The new blended rate for fiscal year 2026-27 is 60.7875%. This initiative adjusts funding for positions within the Riverview Psychiatric Center to reflect the decrease in the Federal Medical Assistance Percentage (FMAP) rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative provides General Fund Personal Services funding of \$851 in state fiscal year 2027. This initiative can also be found on pages A-49 and A-75.

2. The next initiative (F-A-1316) on page A-48 adjusts funding for positions in the Dorothea Dix Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative provides General Fund of \$154,206 in state fiscal year 2027. This initiative can also be found on pages A-49 and A-75.

2. The next initiative (F-A-1316) on page A-48 adjusts funding for positions in the Dorothea Dix Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage. The new blended rate for fiscal year 2026-27 is 60.7875%. This initiative adjusts funding for positions within the Dorothea Dix Psychiatric Center to reflect the decrease in the Federal Medical Assistance Percentage (FMAP) rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative provides General Fund Personal Services funding of \$154,206 in state fiscal year 2027. This initiative can also be found on pages A-49 and A-75.

Disproportionate Share – Riverview Psychiatric Center

The next program on page A-48 is **Disproportionate Share – Riverview Psychiatric Center – Z220**. This program has 3 initiatives.

1. The first initiative (F-A-1406) on page A-48 adjusts funding for positions in the Riverview Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative provides General Funds of \$202,847 in state fiscal year 2027. This initiative can also be found on pages A-49 and A-75.

1. The first initiative (F-A-1406) on page A-48 adjusts funding for positions in the Riverview Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage. The new blended rate for fiscal year 2026-27 is 60.7875%. This initiative adjusts funding for positions within the Riverview Psychiatric Center to reflect the decrease in the Federal Medical Assistance Percentage (FMAP) rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative provides General Funds Personal Services funding of \$202,847 in state fiscal year 2027. This initiative can also be found on pages A-49 and A-75.

2. The next initiative (F-A-1316) on page A-48 adjusts funding for positions in the Dorothea Dix Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative provides General Fund of \$266 in state fiscal year 2027. This initiative can also be found on pages A-49 and A-75.

2. The next initiative (F-A-1316) on page A-48 adjusts funding for positions in the Dorothea Dix Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage. The new blended rate for fiscal year 2026-27 is 60.7875%. This initiative adjusts funding for positions within the Dorothea Dix Psychiatric Center to reflect the decrease in the Federal Medical Assistance Percentage (FMAP) rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative provides General Fund Personal Services funding of \$266 in state fiscal year 2027. This initiative can also be found on pages A-49 and A-75.

3. The next initiative (F-A-1407) on page A-48 reduces funding in the Riverview Psychiatric Center program, General Fund and the Disproportionate Share - Riverview Psychiatric Center program, General Fund due to facility security being moved to Department of Public Safety, Bureau of Capitol Police. This initiative reduces General Fund by \$100,232 in state fiscal year 2027. This initiative can also be found on page A-75.

3. The next initiative (F-A-1407) on page A-48 reduces funding in the Riverview Psychiatric Center program, General Fund and the Disproportionate Share - Riverview Psychiatric Center program, General Fund due to facility security being moved to Department of Public Safety, Bureau of Capitol Police. This initiative reduces funding previously appropriated in PL 2013, chapter 595 and PL 2015, chapter 343. Funding was provided for in-house specialized security services to be performed by Capitol Police at Riverview Psychiatric Center. Riverview Psychiatric Center no longer needs this specialized service in house. This initiative reduces General Fund All Other funding by \$100,232 in state fiscal year 2027. This initiative can also be found on page A-75.

Dorothea Dix Psychiatric Center

The next program on page A-49 is **Dorothea Dix Psychiatric Center – Z222**. This program has 2 initiatives.

1. The first initiative (F-A-1406) on page A-49 adjusts funding for positions in the Riverview Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative reduces Other Special Revenue Funds allocation by \$871 in state fiscal year 2027. This initiative can also be found on pages A-48 and A-75.

1. *The first initiative (F-A-1406) on page A-49 adjusts funding for positions in the Riverview Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage. The new blended rate for fiscal year 2026-27 is 60.7875%. This initiative adjusts funding for positions within the Riverview Psychiatric Center to reflect the decrease in the Federal Medical Assistance Percentage (FMAP) rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative reduces Other Special Revenue Funds Personal Services allocation by \$851 and All Other allocation by \$20 in state fiscal year 2027. This initiative can also be found on pages A-48 and A-75.*

2. The next initiative (F-A-1316) on page A-49 adjusts funding for positions in the Dorothea Dix Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative reduces Other Special Revenue Funds allocation by \$157,764 in state fiscal year 2027. This initiative can also be found on pages A-48 and A-75.

2. *The next initiative (F-A-1316) on page A-49 adjusts funding for positions in the Dorothea Dix Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage. The new blended rate for fiscal year 2026-27 is 60.7875%. This initiative adjusts funding for positions within the Dorothea Dix Psychiatric Center to reflect the decrease in the Federal Medical Assistance Percentage (FMAP) rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative reduces Other Special Revenue Funds Personal Services allocation by \$154,206 and All Other allocation by \$3,558 in state fiscal year 2027. This initiative can also be found on pages A-48 and A-75.*

Housing First Program

The next program on page A-50 is **Housing First Program – Z374**. This program has one initiative.

1. This initiative (F-A-1930) on page A-50 transfers and reallocates one Social Services Program Manager position and one Public Service Manager III position from General Fund to Other Special Revenue Funds in the Housing First Program to align the positions with program funding. This initiative reduces General Fund by \$64,018 in state fiscal year 2026 and \$312,920 in state fiscal year 2027 and increases Other Special Revenue Funds allocation by \$66,389 in state fiscal year 2026 and \$324,700 in state fiscal year 2027. There are no new positions associated with this initiative.

1. *This initiative (F-A-1930) on page A-50 transfers and reallocates one Social Services Program Manager position and one Public Service Manager III position from General Fund to*

Other Special Revenue Funds in the Housing First Program and adjusts funding for related All Other costs. This initiative moves one Social Services Program Manager position and one Public Service Manager III position approved in Public Law 2023, chapter 412 within the Housing First Program from the General Fund to the Other Special Revenue Funds to align the positions with program funding. This initiative reduces General Fund Personal Services funding by \$60,749 in state fiscal year 2026 and \$300,346 in state fiscal year 2027 and All Other funding by \$3,269 in state fiscal 2026 and \$12,574 in state fiscal year 2027 and increases Other Special Revenue Funds Personal Services allocation by 60,749 in state fiscal year 2026 and \$300,346 in state fiscal year 2027 and All Other allocation by \$5,640 in state fiscal year 2026 and \$24,354 in state fiscal year 2027.

Mental Health Services - Community

The next program on page A-60 is **Mental Health Services – Community – Z198**. This program has 2 initiatives.

1. The first initiative (F-A-1929) on page A-60 transfers and reallocates one Social Services Manager I position from the Mental Health Services - Community program to the Office of Behavioral Health to align the duties of the position with a more appropriate funding source. This role has been funded 100% by the Mental Health Services - Community program General Fund; however, on a day-to-day basis this role is the principal contract manager for substance use disorder service agreements. This initiative shifts the role to 100% funded by the federal Substance Use Prevention Treatment Recovery Support block grant. This initiative reduces General Fund by \$31,491 in state fiscal year 2026 and \$148,775 in state fiscal year 2027. This initiative can also be found on page A-66. There are no new positions associated with this initiative.

1. The first initiative (F-A-1929) on page A-60 transfers and reallocates one Social Services Manager I position from the Mental Health Services - Community program, General Fund to the Office of Behavioral Health, Federal Block Grant Fund and adjusts funding for related All other costs. This initiative aligns the duties of the Social Services Manager I role with a more appropriate funding source. This role has been funded 100% by the Mental Health Services - Community program General Fund; however, on a day-to-day basis this role is the principal contract manager for substance use disorder service agreements. This initiative shifts the role to 100% funded by the federal Substance Use Prevention Treatment Recovery Support block grant. This initiative reduces General Fund Personal Services funding by \$29,677 in state fiscal year 2026 and \$141,519 in state fiscal year 2027 and All Other allocation by \$1,814 in state fiscal year 2026 and \$7,256 in state fiscal year 2027. This initiative can also be found on page A-66.

2. The next initiative (F-A-1932) on page A-60 provides funding to achieve parity with MaineCare cost-of-living adjustments for certain community behavioral health-related services. Public Law 2025, chapter 388 approved cost-of-living adjustments (COLA) for a wide array of

MaineCare sections effective July 1, 2025, and another one effective January 1, 2026. The Office of Behavioral Health funds similar services as Chapter 101: MaineCare Benefits Manual, Chapter III, Sections 13, 17, 65, 97-B, 97-D and 97-E for uninsured clients but was not given commensurate funding for its contracts. This initiative provides General Fund of \$40,972 in state fiscal year 2027. This initiative can also be found on pages A-45, A-59 and A-66.

2. The next initiative (F-A-1932) on page A-60 provides funding to achieve parity with MaineCare cost-of-living adjustments for certain community behavioral health-related services. Public Law 2025, chapter 388 approved cost-of-living adjustments (COLA) for a wide array of MaineCare sections effective July 1, 2025, and another one effective January 1, 2026. The Office of Behavioral Health funds similar services as Chapter 101: MaineCare Benefits Manual, Chapter III, Sections 13, 17, 65, 97-B, 97-D and 97-E for uninsured clients but was not given commensurate funding for its contracts. This initiative provides General Fund All Other funding of \$40,972 in state fiscal year 2027. This initiative can also be found on pages A-45, A-59 and A-66.

Office of Behavioral Health

The next program on page A-66 is **Office of Behavioral Health– Z199**. This program has 4 initiatives.

1. The first initiative (F-A-1934) on page A-66 provides additional funding necessary to establish a psychiatric residential treatment facility (PRTF) for youth in Maine pursuant to Public Law 2023, chapter 643, part NNNN. This initiative provides General Fund of \$3,399,680 in state fiscal year 2027.

1. The first initiative (F-A-1934) on page A-66 provides funding to establish a youth psychiatric residential treatment facility (PRTF) in Maine pursuant to Public Law 2023, chapter 643. Pursuant to Public Law 2023, chapter 643, Part NNNN, the Department issued a request for proposals to develop one or more psychiatric residential treatment facilities (PRTF) in the State to meet the needs of adolescents who have high levels of behavioral health needs that cannot be met by existing behavioral health services in the State. Capital costs related to making such a facility or facilities operational were included in the request for proposals, with a goal of using existing facilities in this State. The legislature appropriated \$2m for the capital cost RFP. Sweetser was the only bidder; they estimated that the total cost to retrofit an existing property would be \$3.5m and submitted a proposal wherein the state would contribute \$2m and Sweetser would contribute \$1.5m. However, subsequent to the RFP award, Sweetser received revised budget projections from their construction contractor: the project is now estimated to cost \$6.3m. Sweetser will increase their contribution to \$2m and is looking for the State to contribute an additional \$2.3m. Under Medicaid, a Psychiatric Residential Treatment Facility is one of three specific settings allowed to deliver inpatient psychiatric hospital services for enrollees under age 21, also known as the Psych Under-21 benefit. The other two allowable settings are psychiatric hospitals and psychiatric units of general hospitals. PRTFs are “non-hospital

inpatient” settings and Maine does not currently have a PRTF. As discussed in A Report on Children's Residential Treatment Services and Implementation of the Department's Strategic Priorities for Children's Behavioral Health Services written in response to LD 435, Maine has experienced a long-term trend of reduced residential bed capacity for children and youth; most Maine children in need of PRTF services are currently referred to facilities out-of-state. The State of Maine aspires to treat children close to home and to their communities so that they may safely reintegrate to their communities in a family setting. This initiative provides General Fund All Other funding of \$3,399,680 in state fiscal year 2027.

2. The next initiative (F-A-1929) on page **A-66** transfers and reallocates one Social Services Manager I position from the Mental Health Services - Community program to the Office of Behavioral Health to align the duties of the position with a more appropriate funding source. This role has been funded 100% by the Mental Health Services - Community program General Fund; however, on a day-to-day basis this role is the principal contract manager for substance use disorder service agreements. This initiative shifts the role to 100% funded by the federal Substance Use Prevention Treatment Recovery Support block grant. This initiative increases Federal Block Grant Fund allocation by \$32,474 in state fiscal year 2026 and \$153,426 in state fiscal year 2027. This initiative can also be found on page A-60. There are no new positions associated with this initiative.

2. The next initiative (F-A-1929) on page A-66 transfers and reallocates one Social Services Manager I position from the Mental Health Services - Community program, General Fund to the Office of Behavioral Health, Federal Block Grant Fund and adjusts funding for related All other costs. This initiative aligns the duties of the Social Services Manager I role with a more appropriate funding source. This role has been funded 100% by the Mental Health Services - Community program General Fund; however, on a day-to-day basis this role is the principal contract manager for substance use disorder service agreements. This initiative shifts the role to 100% funded by the federal Substance Use Prevention Treatment and Recovery Support block grant. This initiative increases Federal Block Grant Fund Personal Services allocation by \$29,676 in state fiscal year 2026 and \$141,519 in state fiscal year 2027 and All Other allocation by \$2,798 in state fiscal year 2026 and \$11,907 in state fiscal year 2027. This initiative can also be found on page A-60.

3. The next initiative (F-A-1933) on page **A-66** provides funding for ongoing support to Adult Treatment Recovery Courts in Oxford County and Region 6. The Office of Behavioral Health program currently funds treatment and case management services for 7 Maine Adult Recovery Treatment Courts (ATRC), Washington, Hancock, Penobscot, Androscoggin, Cumberland, York, and Kennebec. The ATRCs in Oxford County and Region 6 have been funded through a memorandum of understanding (MOU) with Maine Judicial Branch - Administrative Office of the Courts (AOC). AOC has communicated that the federal Bureau of Justice funding being used will be ending September 30, 2026, and this initiative is requesting funding to be able to continue funding these 2 courts. This initiative provides General Fund of \$342,760 in state fiscal year 2027.

3. *The next initiative (F-A-1933) on page A-66 provides funding for ongoing support to Adult Treatment Recovery Courts in Oxford County and Region 6. The Office of Behavioral Health program, General Fund, currently funds treatment and case management services for 7 Maine Adult Recovery Treatment Courts (ATRC), Washington, Hancock, Penobscot, Androscoggin, Cumberland, York, and Kennebec. The ATRCs in Oxford County and Region 6 have been funded through a memorandum of understanding (MOU) with Maine Judicial Branch - Administrative Office of the Courts (AOC). AOC has communicated that the federal Bureau of Justice funding being used will be ending September 30, 2026, and this initiative is requesting funding to be able to continue funding these 2 courts. In the most recent legislative session, legislators raised at least three bills (LD 753, LD 779, LD 1266) related to expanding ATRCs in Maine. ATRCs are specialty dockets for eligible individuals whose involvement with the criminal justice system has been fueled by a serious substance use disorder (SUD) (drugs and/or alcohol). Individuals are admitted to an ATRC after entering into a plea agreement and accepting responsibility for their conduct. Entry into an ATRC is voluntary. Services include: a multi-disciplinary treatment team that includes the presiding judge, prosecutor, defense lawyer, probation officer, case manager, treatment provider, law enforcement officer, and coordinator, all of whom have received specialized training; and comprehensive, individualized treatment plans, including medically assisted treatment (MAT), if appropriate. This initiative provides General Fund All Other funding of \$342,760 in state fiscal year 2027.*

4. The next initiative (F-A-1932) on page A-66 provides funding to achieve parity with MaineCare cost-of-living adjustments for certain community behavioral health-related services. Public Law 2025, chapter 388 approved cost-of-living adjustments (COLA) for a wide array of MaineCare sections effective July 1, 2025, and another one effective January 1, 2026. The Office of Behavioral Health funds similar services as Chapter 101: MaineCare Benefits Manual, Chapter III, Sections 13, 17, 65, 97-B, 97-D and 97-E for uninsured clients but was not given commensurate funding for its contracts. This initiative provides General Fund of \$78,842 in state fiscal year 2027. This initiative can also be found on pages A-45, A-59 and A60.

4. *The next initiative (F-A-1932) on page A-66 provides funding to achieve parity with MaineCare cost-of-living adjustments for certain community behavioral health-related services. Public Law 2025, chapter 388 approved cost-of-living adjustments (COLA) for a wide array of MaineCare sections effective July 1, 2025, and another one effective January 1, 2026. The Office of Behavioral Health funds similar services as Chapter 101: MaineCare Benefits Manual, Chapter III, Sections 13, 17, 65, 97-B, 97-D and 97-E for uninsured clients but was not given commensurate funding for its contracts. This initiative provides General Fund All Other funding of \$78,842 in state fiscal year 2027. This initiative can also be found on pages A-45, A-59 and A60.*

Riverview Psychiatric Center

The next program on page A-75 is **Riverview Psychiatric Center – Z219**. This program has 3 initiatives.

1. The first initiative (F-A-1406) on page A-75 adjusts funding for positions in the Riverview Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative reduces Other Special Revenue Funds allocation by \$207,478 in state fiscal year 2027. This initiative can also be found on pages A-48 and A-49.

1. The first initiative (F-A-1406) on page A-75 adjusts funding for positions in the Riverview Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage. The new blended rate for fiscal year 2026-27 is 60.7875%. This initiative adjusts funding for positions within the Riverview Psychiatric Center to reflect the decrease in the Federal Medical Assistance Percentage (FMAP) rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative reduces Other Special Revenue Funds Personal Services allocation by \$202,847 and All Other allocation by \$4,631 in state fiscal year 2027. This initiative can also be found on pages A-48 and A-49.

2. The next initiative (F-A-1316) on page A-75 adjusts funding for positions in the Dorothea Dix Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative reduces Other Special Revenue Funds allocation by \$272 in fiscal year 2027. This initiative can also be found on pages A-48 and A-49.

2. The next initiative (F-A-1316) on page A-75 adjusts funding for positions in the Dorothea Dix Psychiatric Center as a result of the decrease in the 2027 Federal Medical Assistance Percentage. The new blended rate for fiscal year 2026-27 is 60.7875%. This initiative adjusts funding for positions within the Dorothea Dix Psychiatric Center to reflect the decrease in the Federal Medical Assistance Percentage (FMAP) rate from 61.29% in fiscal year 2025-26 to 60.62% in fiscal year 2026-27. The blended FMAP rate is 60.7875% in fiscal year 2026-27. This initiative reduces Other Special Revenue Funds Personal Services allocation by \$266 and All Other allocation by \$6 in state fiscal year 2027. This initiative can also be found on pages A-48 and A-49.

3. The next initiative (F-A-1407) on page A-75 reduces funding in the Riverview Psychiatric Center program, General Fund and the Disproportionate Share - Riverview Psychiatric Center program, General Fund due to facility security being moved to Department of Public Safety, Bureau of Capitol Police. This initiative reduces General Fund by \$403,323 in state fiscal year 2027. This initiative can also be found on page A-48.

3. *The next initiative (F-A-1407) on page A-75 reduces funding in the Riverview Psychiatric Center program, General Fund and the Disproportionate Share - Riverview Psychiatric Center program, General Fund due to facility security being moved to Department of Public Safety, Bureau of Capitol Police. This initiative reduces funding previously appropriated in PL 2013, chapter 595 and PL 2015, chapter 343. Funding was provided for in-house specialized security services to be performed by Capitol Police at Riverview Psychiatric Center. Riverview Psychiatric Center no longer needs this specialized service in house. This initiative reduces General Fund All Other funding by \$403,323 in state fiscal year 2027. This initiative can also be found on page A-48*

Afternoon Testimony

Senator Rotundo, Representative Gattine, Senator Ingwersen, Representative Meyer, Members of the Joint Standing Committee on Appropriations and Financial Affairs and Members of the Joint Standing Committee on Health and Human Services; my name is Todd Haber, Acting Deputy Commissioner of the Department of Health and Human Services (DHHS). I am here today to speak in support of LD 2212.

As I shared with you this morning, the Maine Department of Health and Human Services (DHHS) is dedicated to promoting health, safety, resilience, and opportunity for Maine people. The Department provides health and social services to almost a third of the State's population, including children, families, older Mainers, and individuals with disabilities, mental illness, and substance use disorders. The leadership of the Department understands the importance of these services to the health and wellbeing of not only the Maine people accessing these services but their families as well.

The Administration looks forward to working with the Legislature in the coming weeks to enact a balanced budget that supports Maine people and protects the fiscal health of our state. I will now continue speaking more specifically to the contents contained in the Governor's Supplemental Budget

Office of MaineCare Services

The next program on page A-72 is **Office of MaineCare Services – 0129**. This program has 13 initiatives.

1. The first initiative (F-A-1613) on page A-72 adjusts funding in the Office of MaineCare Services, Federal Expenditures Fund between All Other and Personal Services to correct the allocation of the funding approved in Public Law 2025, chapter 388 which established 3 Developmental Disabilities Resources Coordinator positions and 4 Public Service Manager II position for the new federal home and community-based services Lifespan waiver. The funding was approved in All Other and should have been split between Personal Services. This initiative moves Federal Expenditures Fund All Other allocation of \$419,798 in state fiscal year 2026 and \$439,919 in state fiscal year 2027 to Personal Services.

1. The first initiative (F-A-1613) on page A-72 adjusts funding in the Office of MaineCare Services, Federal Expenditures Fund between All Other and Personal Services to correct the allocation of the funding approved in Public Law 2025, chapter 388 which established positions for the home and community-based services Lifespan waiver. Public Law 2025, chapter 388 approved funding in the Office of MaineCare Services program, Federal Expenditures Fund, to establish 3 Developmental Disabilities Resources Coordinator positions and 4 Public Service Manager II position for the new federal home and community-based services Lifespan waiver, W-A-7601. The funding was approved in All Other and should have been split between Personal

Services. This initiative moves All other to personal Services to correct the error. This initiative increases Federal Expenditures Fund Personal Services allocation by \$419,798 in state fiscal year 2026 and \$439,919 in state fiscal year 2027 and reduces All Other allocation by the same amounts in state fiscal years 2026 and 2027.

2. The next initiative (F-A-2020) on page A-72 provides funding for contracted actuarial services in the Office of MaineCare Services program to assist with forecasting and fiscal management related to the July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). A variety of provisions in H.R.1 introduce significant added financial volatility and risk, together with a restriction in financing options, for the Medicaid program. This initiative provides General Fund of \$1,000,000 and increases Federal Expenditures Fund allocation by \$1,031,260 in state fiscal years 2026 and 2027.

2. The next initiative (F-A-2020) on page A-72 provides funding for contracted actuarial services funded 50% General Fund and 50% Federal Expenditures Fund in the Office of MaineCare Services program to assist with forecasting and fiscal management related to the July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). A variety of provisions in H.R. 1 introduce significant added financial volatility and risk, together with a restriction in financing options, for the Medicaid program. This vendor will support ongoing, methodologically robust, forecasting and fiscal management support during times of significant federal changes and resulting changes to enrollment and spending. These services are necessary to ensure appropriate state budgeting and policymaking by identifying anticipated and unanticipated changes in population level spending and utilization. This initiative provides General Fund All Other funding of \$1,000,000 and increases Federal Expenditures Fund All Other allocation by \$1,031,260 in state fiscal years 2026 and 2027.

3. The next initiative (F-A-1931) on page A-72 transfers and reallocates one Social Services Program Specialist II position from 72% General Fund and 28% Other Special Revenue Funds in the Office of Child and Family Services - Central program to 50% General Fund in the Mental Health Services - Children program and 50% Federal Expenditures Fund in the Office of MaineCare Services program to align the funding with the work the position is performing. This initiative increases Federal Expenditures Fund allocation by \$14,307 in state fiscal year 2026 and \$67,320 in state fiscal year 2027. This initiative can also be found on pages A-59 and A-68. There are no new positions associated with this initiative.

3. The next initiative (F-A-1931) on page A-72 transfers and reallocates one Social Services Program Specialist II position from 72% General Fund and 28% Other Special Revenue Funds in the Office of Child and Family Services - Central program to 50% General Fund in the Mental Health Services - Children program and 50% Federal Expenditures Fund in the Office of MaineCare Services program and adjusts funding for related All Other costs. The Children's Behavioral Health Services (CBHS) unit transitioned from the Office of Child and Family Services (OCFS) to the Office of Behavioral Health (OBH) in January 2024. This position continued to be budgeted in OCFS even though the work being performed was under OBH. This

initiative aligns the funding with the work the position is performing. This initiative increases Federal Expenditures Fund Personal Services allocation by \$12,965 in state fiscal year 2026 and \$61,651 in state fiscal year 2027 and All Other allocation by \$1,342 in state fiscal year 2026 and \$5,669 in state fiscal year 2027. This initiative can also be found on pages A-59 and A-68.

4. The next initiative (F-A-1927) on page A-72 reallocates one Social Services Program Manager position from 76% General Fund and 24% Federal Block Grant Fund in the Mental Health Services - Children program to 50% General Fund in the Mental Health Services - Children program and 50% Federal Expenditures Fund in the Office of MaineCare Services program to align the work being performed with the proper funding sources. This initiative increases Federal Expenditures Fund allocation by \$15,793 in state fiscal year 2026 and \$76,460 in state fiscal year 2027. This initiative can also be found on page A-59. There are no new positions associated with this initiative.

4. The next initiative (F-A-1927) on page A-72 reallocates one Social Services Program Manager position from 76% General Fund and 24% Federal Block Grant Fund in the Mental Health Services - Children program to 50% General Fund in the Mental Health Services - Children program and 50% Federal Expenditures Fund in the Office of MaineCare Services program and adjusts funding for related All Other costs. The duties of this position extend beyond the current grant funding, and this initiative will align the work being performed with the proper funding sources. This initiative increases Federal Expenditures Fund Personal Services allocation by \$14,406 in state fiscal year 2026 and \$70,514 in state fiscal year 2027 and All Other allocation by \$1,387 in state fiscal year 2026 and \$5,946 in state fiscal year 2027. This initiative can also be found on page A-59.

5. The next initiative (F-A-2023) on page A-72 reduces funding for the approved reorganization of one Public Service Manager III position to a Public Service Coordinator I position and transfers and reallocates the position from 60% General Fund and 40% Other Special Revenue Funds in the Department of Health and Human Services Central Operations program to 50% General Fund and 50% Federal Expenditures Fund in the Office of MaineCare Services program to replace work currently being done by a contracted employee. This initiative provides General Fund of \$14,450 in state fiscal year 2026 and \$47,594 in state fiscal year 2027 and increases Federal Expenditures Fund allocation by \$14,903 in state fiscal year 2026 and \$42,233 in state fiscal year 2027. This initiative can also be found on page A-46. There are no new positions associated with this initiative.

5. The next initiative (F-A-2023) on page A-72 reduces funding for the approved reorganization of one Public Service Manager III position to a Public Service Coordinator I position and transfers and reallocates the cost of the position from 60% General Fund and 40% Other Special Revenue Funds in the Department of Health and Human Services Central Operations program to 50% General Fund and 50% Federal Expenditures Fund in the Office of MaineCare Services program and adjusts funding for related All Other costs. This position is budgeted in the DHHS Commissioner's Office but has been vacant since it was created in fiscal year 2021-22.

Following the transfer, the position will move into the Office of MaineCare Services (OMS) to replace work currently being done by a contracted employee. The Office of MaineCare Services has developed a robust Health Information Technology coordination scope of work that would benefit from the stability of a state line rather than a contracted position and that could take on some of the Department-wide work originally envisioned for the DHHS position. After hiring into this position, OMS will then end the contracted position, which will save administrative costs. In addition, an FJA has been approved to downgrade this position from a Public Service Manager III, range 35, to a Public Service Coordinator I, range 28, which generates additional savings. This initiative provides General Fund Personal Services funding of \$13,542 in state fiscal year 2026 and \$67,220 in state fiscal year 2027 and All Other funding of \$908 in state fiscal year 2026 and reduces All Other funding by \$19,626 in state fiscal year 2027 and increases Federal Expenditures Fund Personal Services allocation by \$13,543 in state fiscal year 2026 and \$67,224 in state fiscal year 2027 and All Other allocation by \$1,360 in state fiscal year 2026 and reduces All Other allocation by \$24,991 in state fiscal year 2027. This initiative can also be found on page A-46.

6. The next initiative (F-A-2027) on page A-73 establishes one Provider Relations Specialist position and 2 Eligibility Specialist II positions in the Office of MaineCare Services program to support provider and staff payment error rate training pursuant to P.L. 119-21(H.R.1). This initiative provides General Fund of \$37,006 in state fiscal year 2026 and \$154,626 in state fiscal year 2027 and increases Federal Expenditures Fund allocation by \$38,183 in state fiscal year 2026 and \$159,475 in state fiscal year 2027.

6. The next initiative (F-A-2027) on page A-73 establishes one Provider Relations Specialist position and 2 Eligibility Specialist II positions funded 50% General Fund and 50% Federal Expenditures Fund in the Office of MaineCare Services program to support provider and staff training pursuant to the July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). This initiative also provides funding for related All Other costs. Payment error rates for Medicaid eligibility and medical payments must remain below 3% in order to avoid penalties. H.R.1, Section 71106 expands error rates to a broader scope of activities, and a state's ability to receive a good faith waiver of a penalty if it is above the 3% threshold will be restricted to only certain errors. States may face increased risk immediately, as the Center for Medicare & Medicaid Services already has the authority under current law to impose penalties for error rates exceeding the 3% threshold. Historically, the Center for Medicare & Medicaid Services has broadly issued good faith waivers rather than charging states steep penalties. In order to reduce the risk of future error rates in excess of 3%, these positions are needed for provider education and training to ensure they meet documentation requirements, and for staff education and training to ensure proper claims adjustments and eligibility processes. This initiative provides General Fund Personal Services funding of \$34,284 in state fiscal year 2026 and \$143,742 in state fiscal year 2027 and All Other funding of \$2,722 in state fiscal year 2026 and \$10,884 in state fiscal year 2027 and increases Federal Expenditures Fund Personal Services allocation by \$34,304 in state fiscal year 2026 and \$143,757 in state fiscal year 2027 and All Other allocation by \$3,879 in state fiscal year 2026 and \$15,718 in state fiscal year 2027.

7. The next initiative (F-A-2030) on page A-73 establishes one Comprehensive Health Planner II position in the Office of MaineCare Services program to support program integrity appeals. The July 2025 Federal Budget Reconciliation law, P.L.119-21 (H.R. 1), increases the risk that Payment Error Rate Measurement (PERM) errors will result in the state losing federal matching funds. In response, the Office of MaineCare Services is planning a broader scope of provider reviews to proactively identify and correct issues in provider documentation and/or operations. This initiative provides General Fund of \$14,505 in state fiscal year 2026 and \$60,750 in state fiscal year 2027 and increases Federal Expenditures Fund allocation by \$14,963 in state fiscal year 2026 and \$62,654 in state fiscal year 2027.

7. The next initiative (F-A-2030) on page A-73 establishes one Comprehensive Health Planner II position funded 50% General Fund and 50% Federal Expenditures Fund in the Office of MaineCare Services program to handle representation of program integrity appeals. This initiative also provides funding for related All Other costs. The July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1) increases the chances that Payment Error Rate Measurement (PERM) errors will result in the state losing federal matching funds based on error rates. In response, the Office of MaineCare Services is planning a broader scope of provider reviews to proactively identify and correct issues in provider documentation and/or operations. We anticipate a greater number of provider appeals to result from this activity. The internal resources currently handling cases for which the Office of the Attorney General has been increasingly declining representation will need to shift to working on a variety of H.R.1 implementation activities, so we will require additional staffing capacity. This initiative provides General Fund Personal Services funding of \$13,597 in state fiscal year 2026 and \$57,122 in state fiscal year 2027 and All Other funding of \$908 in state fiscal year 2026 and \$3,628 in state fiscal year 2027 and increases Federal Expenditures Fund Personal Services allocation by \$13,602 in state fiscal year 2026 and \$57,127 in state fiscal year 2027 and All Other allocation by \$1,361 in state fiscal year 2026 and \$5,527 in state fiscal year 2027.

8. The next initiative (F-A-2022) on page A-73 establishes one limited-period Comprehensive Health Planner II position in the Office of MaineCare Services program through June 12, 2027, to assist with increased eligibility State plan and rulemaking associated with P.L. 119-21 (H.R.1). This initiative provides General Fund of \$14,505 in state fiscal year 2026 and \$60,750 in state fiscal year 2027 and increases Federal Expenditures Fund allocation by \$14,963 in state fiscal year 2026 and \$62,654 in state fiscal year 2027.

8. The next initiative (F-A-2022) on page A-73 establishes one limited-period Comprehensive Health Planner II position funded 50% General Fund and 50% Federal Expenditures Fund in the Office of MaineCare Services program through June 12, 2027, to assist with increased eligibility State plan and rulemaking associated with the July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). A variety of provisions of H.R.1 impact Medicaid eligibility and will require Federal State plan amendments (SPA) and rulemaking. The Office of Family Independence (OFI) has a single employee generally responsible for these changes, who

also has significant operational responsibilities that will be critical for implementation of eligibility systems and process-related changes associated with H.R.1. The Office of MaineCare Services (OMS) will need to assist in order to obtain these authorities, which will impact OMS' ability to meet objectives related to existing workload. This position would help ensure Department capacity to continue both current high workload associated with rulemaking SPAs, along with the additional changes that, P.L. 119-21 (H.R.1) will require. This initiative provides General Fund Personal Services funding of \$13,597 in state fiscal year 2026 and \$57,122 in state fiscal year 2027 and All Other funding of \$908 in state fiscal year 2026 and \$3,628 in state fiscal year 2027 and increases Federal Expenditures Fund Personal Services allocation by \$13,602 in state fiscal year 2026 and \$57,127 in state fiscal year 2027 and All Other allocation by \$1,361 in state fiscal year 2026 and \$5,527 in state fiscal year 2027.

9. The next initiative (F-A-2029) on page A-73 provides funding for staff augmentation in the Office of MaineCare Services program to enable OMS to respond timely to forthcoming additional guidance and rules regarding the July, 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). There are many details of H.R.1 that remain unknown, including areas where the bill indicates that guidance and/or rules will be forthcoming. Funding for staff augmentation will allow the Department the flexibility to quickly secure additional targeted expertise through existing staff augmentation contracts, addressing immediate gaps in capacity when unforeseen impacts arise. This initiative provides General Fund of \$75,000 in state fiscal year 2026 and \$150,000 in state fiscal year 2027 and increases Federal Expenditures Fund allocation by \$77,345 in state fiscal year 2026 and \$154,689 in state fiscal year 2027.

9. The next initiative (F-A-2029) on page A-73 provides funding for staff augmentation funded 50% General Fund and 50% Federal Expenditures Fund in the Office of MaineCare Services program to enable response to forthcoming additional guidance and rules regarding the July 2025 Federal Budget Reconciliation law, PL 119-21 (H.R. 1). There are many details of H.R. 1 that remain unknown, including areas where the bill indicates that guidance and/or rules will be forthcoming. This additional guidance will likely come over the course of multiple years, and it is impossible to predict what the impact may be in terms of further resource needs. Funding for staff augmentation will allow the Department the flexibility to quickly secure additional targeted expertise through existing staff augmentation contracts, addressing immediate gaps in capacity when unforeseen impacts arise. Without this increase, the Department risks delays in meeting H.R.1-related requirements, potential compliance exposure, and misalignment with budget expectations. This initiative provides General Fund All Other funding of \$75,000 in state fiscal year 2026 and \$150,000 in state fiscal year 2027 and increases Federal Expenditures Fund All Other allocation by \$77,345 in state fiscal year 2026 and \$154,689 in state fiscal year 2027.

10. The next initiative (F-A-1838) on page A-73 provides funding for increased MaineCare Disability Determination services within the Office of MaineCare Services program pursuant to P.L. 119-21 (H.R.1)'s introduction to new work or community engagement requirements and verification provisions that will substantially increase the volume of medical exemption requests submitted by clients seeking to demonstrate that they are unable to meet these requirements due

to physical or mental health limitations. These requests must be reviewed and verified by the Medical Review Team (MRT) in accordance with federal and state policy. This initiative provides General Fund of \$295,000 and Federal Expenditures Fund allocation of \$304,222 in state fiscal years 2026 and 2027.

10. The next initiative (F-A-1838) on page A-73 provides funding for increased MaineCare Disability Determination services funded 50% General Fund and 50% Federal Expenditures Fund within the Office of MaineCare Services program pursuant to the July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). H.R.1 introduces new work/community engagement requirements and verification provisions that will substantially increase the volume of medical exemption requests submitted by clients seeking to demonstrate that they are unable to meet work/community engagement requirements due to physical or mental health limitations. These requests must be reviewed and verified by the Medical Review Team (MRT) in accordance with federal and state policy. With the enactment of P.L. 119-21, the State is legally required to implement new work/community engagement requirements for Medicaid enrollees aged 19-64, and must verify compliance or exemption status, including medical exemptions, under the statutory framework. Because the law mandates ex parte verification where possible but also requires notification and opportunity for individuals to supply documentation when automatic verification is insufficient, the volume and complexity of medical exemption reviews will increase significantly. Without additional funding to expand the Medical Review Team's capacity (both clinical reviewers and supporting staff), to upgrade automated verification systems, and to ensure timely processing and due process, there is a high risk of delays, improper denials, noncompliance with federal statute, and adverse outcomes for vulnerable individuals. This initiative provides General Fund All Other funding of \$295,000 and increases Federal Expenditures Fund All Other allocation by \$304,222 in state fiscal years 2026 and 2027.

11. The next initiative (F-A-2017) on page A-74 provides funding for the approved reclassification of one Reimbursement Specialist position to a Management Analyst I position in the Office of MaineCare Services program which was approved by the Bureau of Human Resources on May 30, 2025, retroactive back to January 26, 2024. This initiative provides General Fund of \$654 in state fiscal year 2026 and \$1,711 in state fiscal year 2027 and increases Federal Expenditures Fund allocation by \$674 in state fiscal year 2026 and \$1,763 in state fiscal year 2027. There are no new positions associated with this initiative.

11. The next initiative (F-A-2017) on page A-74 provides funding for the approved reclassification of one Reimbursement Specialist position to a Management Analyst I position funded 50% General Fund and 50% Federal Expenditures Fund in the Office of MaineCare Services program and provides funding for related All Other costs. The reclassification of one Reimbursement Specialist position to a Management Analyst I position was approved by the Bureau of Human Resources on May 30, 2025, retroactive back to January 26, 2024. The review of this position shows that this role has evolved significantly beyond the scope of the original Reimbursement Specialist classification. The nature of the responsibilities, level of analytical thinking required, and the operational influence of the position now align more appropriately

with the Management Analyst I classification. The one-time retroactive payment will be funded using salary savings. This initiative provides General Fund Personal Services funding of \$654 in state fiscal year 2026 and \$1,711 in state fiscal year 2027 and increases Federal Expenditures Fund Personal Services allocation by \$654 in state fiscal year 2026 and \$1,710 in state fiscal year 2027 and increases All Other allocation by \$20 in state fiscal year 2026 and \$53 in state fiscal year 2027.

12. The next initiative (F-A-2021) on page A-74 establishes 2 Public Service Coordinator 1 positions and one Management Analyst II position in the Office of MaineCare Services program pursuant to, P.L. 119-21 (H.R.1). A variety of H.R.1 provisions introduce significant added financial volatility and risk, together with a restriction in financing options, for the Medicaid program. In addition, H.R.1 also introduces more stringent requirements around demonstration of cost neutrality under 1115 waivers (section 71118), which will require additional analysis and coordination with the Centers for Medicare and Medicaid Services for Maine's existing Human Immunodeficiency Virus (HIV) and Substance Use Disorder waivers, along with MaineCare's re-entry waiver. This initiative provides General Fund of \$30,091 in state fiscal year 2026 and \$192,664 in state fiscal year 2027 and increases Federal Expenditures Fund allocation by \$31,038 in state fiscal year 2026 and \$198,698 in state fiscal year 2027.

12. The next initiative (F-A-2021) on page A-74 establishes 2 Public Service Coordinator 1 positions and one Management Analyst II position funded 50% General Fund and 50% Federal Expenditures Fund in the Office of MaineCare Services program pursuant to the July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). This initiative also provides funding for related All Other costs. A variety of H.R.1 provisions introduce significant added financial volatility and risk, together with a restriction in financing options, for the Medicaid program. In addition, H.R.1 also introduces more stringent requirements around demonstration of cost neutrality under 115 waivers (section 71118), which will require additional analysis and coordination with the Centers for Medicare and Medicaid Services for Maine's existing Human Immuno Virus and Substance Use Disorder waivers, along with MaineCare's re-entry waiver that is currently submitted to the Center for Medicare and Medicaid Services for review. These positions are necessary to enable improved forecasting, tracking against projections, and execution of requests related to identified needs or savings. This initiative provides General Fund Personal Services funding of \$28,277 in state fiscal year 2026 and \$181,780 in state fiscal year 2027 and All Other funding of \$1,814 in state fiscal year 2026 and \$10,884 in state fiscal year 2027 and increases Federal Expenditures Fund Personal Services allocation by \$28,283 in state fiscal year 2026 and \$181,791 in state fiscal year 2027 and All Other allocation by \$2,755 in state fiscal year 2026 and \$16,907 in state fiscal year 2027.

13. The next initiative (F-A-7175) on page T-3 provides one-time funding for technology adjustments and compliance with new federal requirements under, P.L. 119-21 (H.R. 1). A variety of H.R.1 provisions require multiple forms of member outreach, communication, system changes and upgrades. This initiative increases Federal Expenditures Fund All Other funding of \$206,750 in state fiscal year 2026 and \$1,069,932 in state fiscal year 2027 and increases Other

Special Revenue Funds All Other allocation of \$38,942 in state fiscal year 2026 and \$537,500 in state fiscal year 2027.

13. The next initiative (F-A-7175) on page T-3 provides one-time funding for one-time technology adjustments and compliance with the July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). Work/community engagement requirements, changes the frequency of redetermination, length of retroactive coverage, and elimination of coverage for certain non-citizen groups will all create a need for effective and multiple forms of member outreach and communication in order to minimize unnecessary disenrollments. System changes included in the outreach are incorporating e-noticing from its claims system into My Maine Connection. In addition to enabling a single source of MaineCare-related communications for members, this will also enable communication regarding copay cost sharing limits, as required per federal law, and communications to members regarding exclusion criteria they meet for community engagement requirements under H.R.1. The other system upgrade will grant providers easy access to member renewal dates in MaineCare's HealthPAS portal augmenting the Department's ability to meet the renewal frequency changes under H.R.1. Costs also include outreach contracts, marketing campaign and materials. This initiative increases Federal Expenditures Fund All Other funding of \$206,750 in state fiscal year 2026 and \$1,069,932 in state fiscal year 2027 and increases Other Special Revenue Funds All Other allocation of \$38,942 in state fiscal year 2026 and \$537,500 in state fiscal year 2027.

Developmental Services Waiver - MaineCare

The next program on page A-47 is **Developmental Services Waiver – MaineCare – Z211**. This program has 3 initiatives.

1. The first initiative (F-A-2149) on page A-47 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$3,506,525 in state fiscal year 2027. This initiative can also be found on pages A-51, A-53, A-54, A-55, A-56, A-58, A-60, A-61, A-67 and A-76.

1. The first initiative (F-A-2149) on page A-47 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$3,506,525 in state fiscal year 2027. This initiative can also be found on pages A-51, A-53, A-54, A-55, A-56, A-58, A-60, A-61, A-67 and A-76.

2. The next initiative (F-A-7617) on page A-47 provides funding to replenish 15 reserve slots for individuals who have been determined Priority 1 waiver program candidates under the department's rule Chapter 101: MaineCare Benefits Manual, Chapter II, Section 21, Home and

Community Benefits for Members with Intellectual Disabilities or Autism Spectrum Disorder. This initiative provides General Fund of \$942,205 in state fiscal year 2027. This initiative can also be found on page A-56.

2. The next initiative (F-A-7617) on page A-47 provides funding to replenish 15 reserve slots for individuals who have been determined Priority 1 waiver program candidates under the department's rule Chapter 101: MaineCare Benefits Manual, Chapter II, Section 21, Home and Community Benefits for Members with Intellectual Disabilities or Autism Spectrum Disorder. The Office of Aging and Disability Services (OADS) funds and maintains reserved Section 21 waiver slots for individuals in urgent need of services. Individuals with an urgent need are classified as Priority 1 - the highest level of priority. This classification is for individuals in need of Adult Protective Services or at risk of abuse, neglect, or exploitation, often due to the fact that their primary caregiver has reached the age of 65 years or older or has a terminal illness and can no longer meet the needs of the individual. Program attrition is the means through which the reserve slots are normally opened/maintained, but the Section 21 waiver program is currently on the verge of running out of reserve slots. This means that individuals at risk of being abused, neglected or exploited would need to wait for someone to leave the Section 21 waiver program before they could receive services. These 15 reserve slots would be available solely for the purpose of giving the opportunity for an individual determined to be the closest in proximity to abuse, neglect and exploitation an opportunity to plan for medically necessary services to meet their health and welfare and provide support to live their life in the most integrated setting of their choice with the services and supports most appropriate to meet their assessed needs. Without replenishing these funded slots, Maine's most vulnerable would likely have no other option but to remain in situations and environments placing them at great risk to their health and safety or at risk of acute care, institutional care, or find themselves within Maine's correctional facilities. This initiative provides General Fund All Other funding of \$942,205 in state fiscal year 2027. This initiative can also be found on page A-56.

3. The next initiative (F-A-2143) on page A-47 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$12,880,000 in state fiscal year 2026 and \$12,877,204 in state fiscal year 2027. This initiative can also be found on pages A-53, A-54, A-55, A-57, A-58, A-60, A-61, A-67 and A-74.

3. The next initiative (F-A-2143) on page A-47 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund of \$12,880,000 in state fiscal year 2026 and \$12,877,204 in state fiscal year 2027. This initiative can also be found on pages A-53, A-54, A-55, A-57, A-58, A-60, A-61, A-67, A-74.

Developmental Services Waiver - Supports

The next program on page A-47 is **Developmental Services Waiver – Supports – Z212**. This program has 3 initiatives.

1. The first initiative (F-A-2149) on page A-47 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$782,710 in state fiscal year 2027. This initiative can also be found on pages A-51, A-53, A-54, A-55, A-56, A-58, A-60, A-61, A-67, A-76.

1. The first initiative (F-A-2149) on page A-47 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$782,710 in state fiscal year 2027. This initiative can also be found on pages A-51, A-53, A-54, A-55, A-56, A-58, A-60, A-61, A-67, A-76.

2. The next initiative (F-A-2143) on page A-47 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$2,880,000 in state fiscal year 2026 and \$2,879,375 in state fiscal year 2027. This initiative can also be found on pages A-53, A-54, A-55, A-57, A-58, A-60, A-61, A-67, A-74.

2. The next initiative (F-A-2143) on page A-47 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund of \$2,880,000 in state fiscal year 2026 and \$2,879,375 in state fiscal year 2027. This initiative can also be found on pages A-53, A-54, A-55, A-57, A-58, A-60, A-61, A-67, A-74.

3. The next initiative on page A-47 provides funding to align allocations with projected expenditures and available resources. This initiative increases Other Special Revenue Funds allocation of \$4,000 in state fiscal years 2026 and 2027.

3. The next initiative on page A-47 provides funding to align allocations with projected expenditures and available resources. This initiative increases Other Special Revenue Funds All Other allocation of \$4,000 in state fiscal years 2026 and 2027.

Lifespan Waiver

The next program on page A-51 is **Lifespan Waiver – Z370**. This program has 2 initiatives.

1. The first initiative (F-A-2149) on page A-51 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$782,710 in state fiscal year 2027. This initiative provides General Fund of \$10,953 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-56, A-58, A-60, A-61, A-67, A-76.

1. The first initiative (F-A-2149) on page A-51 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$10,953 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-56, A-58, A-60, A-61, A-67, A-76.

2. The next initiative (F-A-1614) on page A-51 provides funding to increase Lifespan waiver slots during and beyond the implementation of the new Home and Community Based Services waiver program. This budget initiative will provide funding for the biennium up to 500 youth between the ages of 14 and 18, as well as provide up to 15 slots a month to new adult waiver members, equivalent to Section 29 slots. Once Lifespan starts enrolling new members, waiver Sections 29 and 21 will no longer enroll new members and any remaining available slots in those programs will be transferred to Lifespan. This initiative provides General Fund of \$2,446,950 in state fiscal year 2027. This initiative can also be found on page A-57.

2. The next initiative (F-A-1614) on page A-51 provides funding to increase Lifespan waiver slots during and beyond the implementation of the new Home and Community Based Services waiver program. This budget initiative implements the Lifespan waiver for individuals with Intellectual and Developmental Disabilities (IDD), including Autism Spectrum Disorder (ASD), pursuant to Title 34-B, Section 5003-B, and ensures access to the Section 29 waiver until Lifespan is implemented. It also creates Lifespan waiver slots that are equivalent to reserve slots in Section 21 for individuals who need those services at the highest, Priority 1 level, and are not otherwise receiving services. This budget initiative will provide funding for the biennium up to 500 youth between the ages of 14 and 18, as well as provide up to 15 slots a month to new adult waiver members, equivalent to Section 29 slots. Once Lifespan starts enrolling new members, waiver Sections 29 and 21 will no longer enroll members and any remaining available slots in those programs will be transferred to Lifespan. The Lifespan waiver will provide access to youth in transition by beginning enrollment at age 14; serving people throughout their lives; and addressing key life transitions without the need to change waivers. This initiative provides

General Fund All Other funding of \$2,446,950 in state fiscal year 2027. This initiative can also be found on page A-57.

Medicaid Services – Developmental Services

The next program on page **A-54** is **Medicaid Services – Developmental Services – Z210**. This program has 3 initiatives.

1. The first initiative (F-A-2149) on page **A-54** adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$526,909 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-55, A-56, A-58, A-60, A-61, A-67 and A-76.

1. The first initiative (F-A-2149) on page A-54 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$526,909 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-55, A-56, A-58, A-60, A-61, A-67 and A-76.

2. The next initiative (F-A-2143) on page **A-54** provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$2,160,000 in state fiscal year 2026 and \$2,159,531 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-55, A-57, A-58, A-61, A-67 and A-74.

2. The next initiative (F-A-2143) on page A-54 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund of \$2,160,000 in state fiscal year 2026 and \$2,159,531 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-55, A-57, A-58, A-61, A-67 and A-74.

3. The next initiative on page **A-54** adjusts funding to align allocations with projected expenditures and available resources. This initiative provides Other Special Revenue Funds All Other allocation by \$3,000 in state fiscal year 2027.

3. *The next initiative on page A-54 adjusts funding to align allocations with projected expenditures and available resources. This initiative provides Other Special Revenue Funds All Other allocation by \$3,000 in state fiscal year 2027.*

Medicaid Waiver for Brain Injury Residential/Community Services

The next program on page A-54 is **Medicaid Waiver for Brain Injury Residential/Community Services – Z218**. This program has 2 initiatives.

1. The first initiative (F-A-2149) on page A-54 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$139,613 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-55, A-56, A-58, A-60, A-61, A-67 and A-76.

1. The first initiative (F-A-2149) on page A-54 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$139,613 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-55, A-56, A-58, A-60, A-61, A-67 and A-76.

2. The next initiative (F-A-2143) on page A-54 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$560,000 in state fiscal year 2026 and \$559,878 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-55, A-57, A-58, A-60, A-61, A-67 and A-74.

2. The next initiative (F-A-2143) on page A-54 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund All Other funding of \$560,000 in state fiscal year 2026 and \$559,878 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-55, A-57, A-58, A-60, A-61, A-67 and A-74.

Medicaid Waiver for Other Related Conditions

The next program on page A-55 is **Medicaid Waiver for Other Related Conditions – Z217**. This program has 2 initiatives.

1. The first initiative (F-A-2149) on page A-55 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$58,422 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-56, A-58, A-60, A-61, A-67 and A-76.

1. The first initiative (F-A-2149) on page A-55 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$58,422 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-56, A-58, A-60, A-61, A-67 and A-76.

2. The next initiative (F-A-2143) on page A-55 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$160,000 in state fiscal year 2026 and \$159,965 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-57, A-58, A-60, A-61, A-67 and A-74.

2. The next initiative (F-A-2143) on page A-55 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund All Other funding of \$160,000 in state fiscal year 2026 and \$159,965 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-57, A-58, A-60, A-61, A-67 and A-74.

Medical Care – Payments to Providers

The next program on page A-55 is **Medical Care – Payments to Providers – 0147**. This program has 13 initiatives.

1. The first initiative (F-A-2149) on page A-56 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$13,389,785, reduces Federal Expenditures Fund allocation by

\$20,587,755, reduces Federal Block Grant Fund allocation by \$3,386, and increases Fund for a Healthy Maine allocation by \$471,555 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-58, A-60, A-61, A-67, A-76.

1. The first initiative (F-A-2149) on page A-56 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$13,389,785, reduces Federal Expenditures Fund All Other allocation by \$20,587,755, reduces Federal Block Grant Fund All Other allocation by \$3,386, and increases Fund for a Healthy Maine All Other allocation by \$471,555 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-58, A-60, A-61, A-67, A-76.

2. The next initiative (F-A-7617) on page A-56 provides funding to replenish 15 reserve slots for individuals who have been determined Priority 1 waiver program candidates under the department's rule Chapter 101: MaineCare Benefits Manual, Chapter II, Section 21, Home and Community Benefits for Members with Intellectual Disabilities or Autism Spectrum Disorder. This initiative increases Federal Expenditures Fund allocation by \$1,450,383 in state fiscal year 2027. This initiative can also be found on page A-47.

2. The next initiative (F-A-7617) on page A-56 provides funding to replenish 15 reserve slots for individuals who have been determined Priority 1 waiver program candidates under the department's rule Chapter 101: MaineCare Benefits Manual, Chapter II, Section 21, Home and Community Benefits for Members with Intellectual Disabilities or Autism Spectrum Disorder. The Office of Aging and Disability Services (OADS) funds and maintains reserved Section 21 waiver slots for individuals in urgent need of services. Individuals with urgent need are classified as Priority 1 - the highest level of priority. This classification is for individuals in need of Adult Protective Services or at risk of abuse, neglect, or exploitation, often due to the fact that their primary caregiver has reached the age of 65 years or older or has a terminal illness and can no longer meet the needs of the individual. Program attrition is the means through which the reserve slots are normally opened/maintained, but the Section 21 waiver program is currently on the verge of running out of reserve slots. This means that individuals at risk of being abused, neglected or exploited would need to wait for someone to leave the Section 21 waiver program before they could receive services. These 15 reserve slots would be available solely for the purpose of giving the opportunity for an individual determined to be the closest in proximity to abuse, neglect and exploitation an opportunity to plan for medically necessary services to meet their health and welfare and provide support to live their life in the most integrated setting of their choice with the services and supports most appropriate to meet their assessed needs. Without replenishing these funded slots, Maine's most vulnerable would likely have no other option but to remain in situations and environments placing them at great risk to their health and safety or at risk of acute care, institutional care, or find themselves within Maine's correctional

facilities. This initiative increases Federal Expenditures Fund All Other allocation by \$1,450,383 in state fiscal year 2027. This initiative can also be found on page A-47.

3. The next initiative (F-A-7173) on page **A-56** provides one-time funding to offset the provider impact of the July 2025 Federal Budget Reconciliation law. P.L. 119-21, Section 71113, which prohibits federal match for payments to prohibited entities, as defined in Section 71113, for items and services for a 1-year period beginning July 4, 2025. This initiative is necessary to offset the impact of H.R. 1, so impacted providers can continue to treat MaineCare patients during the one-year federal prohibition. This initiative provides General Fund All Other funding of \$2,249,459 in state fiscal year 2026.

3. The next initiative (F-A-7173) on page A-56 provides one-time funding to offset the provider impact of the July 2025 Federal Budget Reconciliation law. P.L. 119-21, Section 71113, which prohibits federal match for payments to prohibited entities, as defined in Section 71113, for items and services for a 1-year period beginning July 4, 2025. This initiative is necessary to offset the impact of the July 2025 Federal Budget Reconciliation law, P.L. 119-21, Section 71113, so impacted providers continue to treat MaineCare patients during the one-year federal prohibition. This initiative provides General Fund All Other funding of \$2,249,459 in state fiscal year 2026.

4. The next initiative (F-A-7171) on page **A-56** provides additional funding to increase supplemental payments to private psychiatric hospitals. Upon increasing the tax on private psychiatric hospitals from 2.23% to 3.25% effective 1/1/25, the Department agreed to pay the sum of the incremental increased tax obligation in the form of a supplemental payment. This initiative is a companion to the hospital tax rebasing initiative (F-A-7152) and reflects the increased revenue for this percentage difference associated with the rebasing. This initiative provides General Fund of \$156,832 in state fiscal year 2026 and \$313,665 in state fiscal year 2027 and increases Federal Expenditures Fund allocation by \$248,315 in state fiscal year 2026 and \$482,843 in state fiscal year 2027.

4. The next initiative (F-A-7171) on page A-56 provides additional funding to increase supplemental payments to private psychiatric hospitals. Upon increasing the tax on private psychiatric hospitals from 2.23% to 3.25% effective 1/1/25, the Department agreed to pay the sum of the incremental increased tax obligation in the form of a supplemental payment. This initiative is a companion to the hospital tax rebasing initiative (F-A-7152) and reflects the increased revenue for this percentage difference associated with the rebasing. This initiative provides General Fund All Other funding of \$156,832 in state fiscal year 2026 and \$313,665 in state fiscal year 2027 and increases Federal Expenditures Fund All Other allocation by \$248,315 in state fiscal year 2026 and \$482,843 in state fiscal year 2027.

5. The next initiative (F-A-2151) on page **A-56** provides one-time funding for a 2.5% temporary rate increase to the Medicare physician fee schedule in calendar year 2026 pursuant to the July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). This initiative provides General Fund of \$826,728 in state fiscal year 2026 and \$833,130 in state fiscal year 2027, increases

Federal Expenditures Fund allocation by \$1,797,457 in state fiscal year 2026 and \$1,791,284 in state fiscal year 2027, and increases Federal Block Grant Fund allocation by \$72,382 in state fiscal year 2026 and \$72,153 in state fiscal year 2027.

5. The next initiative (F-A-2151) on page A-56 provides one-time funding for a 2.5% temporary rate increase to the Medicare physician fee schedule pursuant to the July 2025 Federal Budget Reconciliation law (H.R. 1). Pursuant to H.R.1, the Medicare physician fee schedule is being increased by 2.5% for calendar year 2026 only. Many MaineCare rates are based off of the Medicare physician fee schedule and will need to be updated to reflect this temporary rate increase. This initiative provides General Fund All Other funding of \$826,728 in state fiscal year 2026 and \$833,130 in state fiscal year 2027, increases Federal Expenditures Fund All Other allocation by \$1,797,457 in state fiscal year 2026 and \$1,791,284 in state fiscal year 2027, and increases Federal Block Grant Fund All Other allocation by \$72,382 in state fiscal year 2026 and \$72,153 in state fiscal year 2027.

6. The next initiative (F-A-2143) on page A-57 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$29,020,216 in state fiscal year 2026 and \$21,497,890 in state fiscal year 2027, increases Federal Expenditures Fund allocation by \$163,745,587 in state fiscal year 2026 and \$141,504,196 in state fiscal year 2027, and increases Federal Block Grant Fund allocation by \$3,789,294 in state fiscal year 2026 and \$3,722,198 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-58, A-60, A-61, A-67 and A-74.

6. The next initiative (F-A-2143) on page A-57 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund of \$29,020,216 in state fiscal year 2026 and \$21,659,417 in state fiscal year 2027, increases Federal Expenditures Fund allocation by \$163,745,587 in state fiscal year 2026 and \$141,504,196 in state fiscal year 2027, and increases Federal Block Grant Fund allocation by \$3,789,294 in state fiscal year 2026 and \$3,722,198 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-58, A-60, A-61, A-67 and A-74.

7. The next initiative (F-A-2147) on page A-57 provides funding to reduce the Federal Medical Assistance Rate for emergency services for non-qualified immigrants who would otherwise qualify for Medicaid expansion from 90% to the base Federal Medical Assistance Rate pursuant to P.L. 119-21 (H.R.1). This initiative provides General Fund of \$524,639 in state fiscal year 2027.

7. The next initiative (F-A-2147) on page A-57 provides funding to reduce the Federal Medical Assistance Rate for emergency services for non-qualified immigrants who would otherwise

qualify for Medicaid expansion from 90% to the base Federal Medical Assistance Rate pursuant to the July 2025 Federal Budget Reconciliation law, P.L. 119-21 (H.R. 1). Provides funding pursuant to H.R.1, Section 71110 which reduces the Federal Medical Assistance Rate (FMAP) for emergency services for non-qualified immigrants who would otherwise qualify for Medicaid expansion from 90% to the Base FMAP. This funding is necessary to continue providing emergency services to this population. This initiative provides General Fund All Other funding of \$524,639 in state fiscal year 2027.

8. The next initiative (F-A-1614) on page **A-57** provides funding to increase Lifespan waiver slots during and beyond the implementation of the new Home and Community Based Services waiver program. This budget initiative will provide funding for the biennium up to 500 youth between the ages of 14 and 18, as well as provide up to 15 slots a month to new adult waiver members, equivalent to Section 29 slots. Once Lifespan starts enrolling new members, waiver Sections 29 and 21 will no longer enroll members and any remaining available slots in those programs will be transferred to Lifespan. This initiative increases Federal Expenditures Fund allocation by \$3,757,290 in state fiscal year 2027. This initiative can also be found on page A-51.

8. The next initiative (F-A-1614) on page A-57 provides funding to increase Lifespan waiver slots during and beyond the implementation of the new Home and Community Based Services waiver program. This budget initiative implements the Lifespan waiver for individuals with Intellectual and Developmental Disabilities (IDD), including Autism Spectrum Disorder (ASD), pursuant to Title 34-B, Section 5003-B, and ensures access to the Section 29 waiver until Lifespan is implemented. It also creates Lifespan waiver slots that are equivalent to reserve slots in Section 21 for individuals who need those services at the highest, Priority 1 level, and are not otherwise receiving services. This budget initiative will provide funding for the biennium up to 500 youth between the ages of 14 and 18, as well as provide up to 15 slots a month to new adult waiver members, equivalent to Section 29 slots. Once Lifespan starts enrolling new members, waiver Sections 29 and 21 will no longer enroll members and any remaining available slots in those programs will be transferred to Lifespan. The Lifespan waiver will provide access to youth in transition by beginning enrollment at age 14; serving people throughout their lives; and addressing key life transitions without the need to change waivers. This initiative increases Federal Expenditures Fund All Other allocation by \$3,757,290 in state fiscal year 2027. This initiative can also be found on page A-51.

9. The next initiative on page **A-57** adjusts funding to align allocation with projected expenditures and available resources.

9. The next initiative on page A-57 adjusts funding to align allocation with projected expenditures and available resources.

10. The next initiative (F-A-7152) on page **A-57** adjusts funding in the Medical Care - Payments to Providers program between the General Fund and Other Special Revenue Funds related to rebasing the hospital tax year from fiscal year 2021-22 to fiscal year 2023-24. This initiative

reduces General Fund by \$10,995,835 in state fiscal year 2026 and \$23,905,898 in state fiscal year 2027 and increases Other Special Revenue Funds allocation by the same amounts.

10. The next initiative (F-A-7152) on page A-57 adjusts funding in the Medical Care - Payments to Providers program between the General Fund and Other Special Revenue Funds related to rebasing the hospital tax year from fiscal year 2021-22 to fiscal year 2023-24. The hospital tax obligation each hospital owes is based on 3.25% of a hospital's net patient services revenue. Per statute, the hospitals net patient services revenue is based on 2022 cost reports. This initiative changes the base year from 2022 to 2024, which will increase the total tax revenue collected. There are companion budget initiatives to invest the resulting additional revenue to cover increased hospital costs and private psychiatric hospital supplemental payments. This initiative reduces General Fund All Other funding by \$10,995,835 in state fiscal year 2026 and \$23,905,898 in state fiscal year 2027 and increases Other Special Revenue Funds All Other allocation by the same amounts.

11. The next initiative (F-A-7174) on page A-57 provides one-time funding for supplemental payment to the Maine Veterans' Homes for MaineCare residents. This payment is intended to cover any difference between allowable costs and MaineCare reimbursement per most recent cost report, up to the appropriated amounts. This initiative provides General Fund All Other funding of \$1,192,705 in state fiscal year 2027 and increases Federal Expenditures Fund All Other allocation by \$1,836,002 in state fiscal year 2027. This initiative can also be found on page A-74.

11. The next initiative (F-A-7174) on page A-57 provides one-time funding for supplemental payment to the Maine Veterans' Homes for MaineCare residents. This initiative provides one-time funding to pay a supplemental payment to Maine Veterans' Homes Residential Care Facilities. This payment is intended to cover any difference between allowable costs and MaineCare reimbursement per most recent cost report, up to the appropriated amounts. This initiative provides General Fund All Other funding of \$1,192,705 in state fiscal year 2027 and increases Federal Expenditures Fund All Other allocation by \$1,836,002 in state fiscal year 2027. This initiative can also be found on page A-74.

12. The next initiative (F-A-2150) on page A-57 provides funding for the annual Medicare Part D rate increase. Medicare rates change annually and funding is needed to reflect a significant Part D increase for Calendar Year 2026. This initiative provides General Fund of \$2,335,301 in state fiscal year 2026 and \$6,285,364 in state fiscal year 2027. This initiative can also be found on page A-52.

12. The next initiative (F-A-2150) on page A-57 provides funding for the annual Medicare Part D rate increase. Medicare rates change annually and funding is needed to reflect a significant Part D increase for Calendar Year 2026. This initiative provides General Fund All Other funding of \$2,335,301 in state fiscal year 2026 and \$6,285,364 in state fiscal year 2027. This initiative can also be found on page A-52.

13. The next initiative (F-A-7172) on page A-58 provides additional funding to cover increased hospital costs. This initiative is a companion initiative to the hospital tax rebasing and reinvests the additional General Fund revenue to cover increased hospital costs. These costs include Medicare-Related increases to account for changes in the market basket index, and interim cost settlement increases and increases in Hospital Prospective Interim Payment obligations associated with hospital cost growth. This initiative provides General Fund of \$16,419,784 in state fiscal year 2026 and \$23,773,758 in state fiscal year 2027 and increases Federal Expenditures Fund allocation by \$33,723,975 in state fiscal year 2026 and \$54,086,558 in state fiscal year 2027.

13. The next initiative (F-A-7172) on page A-58 provides additional funding to cover increased hospital costs. This initiative is a companion initiative to the hospital tax rebasing and reinvests the additional General Fund revenue to cover increased hospital costs. These costs include Medicare-Related increases to account for changes in the market basket index, and interim cost settlement increases and increases in Hospital Prospective Interim Payment obligations associated with hospital cost growth. This initiative provides General Fund All Other funding of \$16,419,784 in state fiscal year 2026 and \$23,773,758 in state fiscal year 2027 and increases Federal Expenditures Fund All Other allocation by \$33,723,975 in state fiscal year 2026 and \$54,086,558 in state fiscal year 2027.

Mental Health Services – Child Medicaid

The next program on page A-58 is **Mental Health Services – Child Medicaid – Z207**. This program has 2 initiatives.

1. The first initiative (F-A-2149) on page A-58 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$629,451 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-56, A-60, A-61, A-67, A-76.

1. The first initiative (F-A-2149) on page A-58 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$629,451 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-56, A-60, A-61, A-67, A-76.

2. The next initiative (F-A-2143) on page A-58 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$2,080,000 in state fiscal year 2026 and \$2,079,549 in state fiscal year

2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-60, A-61 and A-74.

2. The next initiative (F-A-2143) on page A-58 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund of \$2,080,000 in state fiscal year 2026 and \$2,079,549 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-60, A-61 and A-74.

Mental Health Services – Community Medicaid

The next program on page A-60 is **Mental Health Services – Community Medicaid – Z201**. This program has 2 initiatives.

1. The first initiative (F-A-2149) on page A-60 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$848,691 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-56, A-58, A-61, A-67 and A-76.

1. The first initiative (F-A-2149) on page A-60 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$848,691 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-56, A-58, A-61, A-67 and A-76.

2. The next initiative (F-A-2143) on page A-60 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$2,800,000 in state fiscal year 2026 and \$2,799,392 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-58, A-61, A-67 and A-74.

2. The next initiative (F-A-2143) on page A-60 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and

federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund of \$2,800,000 in state fiscal year 2026 and \$2,799,392 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-58, A-61, A-67 and A-74.

Nursing Facilities

The next program on page A-61 is **Nursing Facilities – 0148**. This program has 4 initiatives.

1. The first initiative (F-A-2149) on page A-61 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$3,469,613 and reduces Federal Expenditures Fund allocation by the same amount in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-56, A-58, A-60, A-61, A-67 and A-76.

1. The first initiative (F-A-2149) on page A-61 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$3,469,613 and reduces Federal Expenditures Fund All Other allocation by the same amount in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-56, A-58, A-60, A-61, A-67 and A-76.

2. The next initiative (F-A-7155) on page A-61 provides funding to reflect meaningful cost differences faced by Maine Veterans' Homes nursing facilities in per diem rates for services provided to MaineCare members. This funding would allow the MaineCare program to reimburse Maine Veterans' facilities for covered nursing home services on a per resident daily rate basis that is reasonable and adequate to cover the total MaineCare allowable costs of operating veterans' facilities. This initiative provides General Fund of \$505,794, increases Federal Expenditures Fund allocation by \$861,554 and increases Other Special Revenue Funds allocation by \$87,367 in state fiscal year 2027.

2. The next initiative (F-A-7155) on page A-61 provides funding to reflect meaningful cost differences faced by Maine Veterans' Homes nursing facilities in per diem rates for services provided to MaineCare members. Maine Veterans Homes Nursing Facilities face cost challenges that may not be fully met under existing payment structures. This funding would allow the MaineCare program to reimburse Maine Veterans' facilities for covered nursing home services on a per resident daily rate basis that is reasonable and adequate to cover the total MaineCare allowable costs of operating veterans' facilities, in alignment with the broader reformed reimbursement structure for all Nursing Facilities. This initiative provides General Fund All Other funding of \$505,794, increases Federal Expenditures Fund All Other allocation by

\$861,554 and increases Other Special Revenue Funds All Other allocation by \$87,367 in state fiscal year 2027.

3. The next initiative (F-A-2143) on page A-61 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$7,300,811 in state fiscal year 2026 and \$7,316,300 in state fiscal year 2027, increases Federal Expenditures Fund allocation by \$13,679,814 in state fiscal year 2026 and \$13,392,288 in state fiscal year 2027, and increases Other Special Revenue Funds allocation by \$1,339,189 in state fiscal year 2026 and \$1,321,825 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-58, A-60, A-61, A-67 and A-74.

3. The next initiative (F-A-2143) on page A-61 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund of \$7,300,811 in state fiscal year 2026 and \$7,316,300 in state fiscal year 2027, increases Federal Expenditures Fund allocation by \$13,679,814 in state fiscal year 2026 and \$13,392,288 in state fiscal year 2027, and increases Other Special Revenue Funds allocation by \$1,339,189 in state fiscal year 2026 and \$1,321,825 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-58, A-60, A-61, A-67 and A-74.

Office of Behavioral Health-Medicaid Seed

The next program on page A-67 is **Office of Behavioral Health-Medicaid Seed – Z202**. This program has 2 initiatives.

1. The first initiative (F-A-2149) on page A-67 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$204,810 and increases Fund for a Healthy Maine allocation by \$19,844 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-56, A-58, A-60, A-61 and A-76.

1. The first initiative (F-A-2149) on page A-67 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$204,810 and increases Fund for a Healthy Maine All Other allocation by \$19,844 in state fiscal

year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-56, A-58, A-60, A-61 and A-76.

2. The next initiative (F-A-2143) on page A-67 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$320,000 in state fiscal year 2026 and \$319,931 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-58, A-60, A-61 and A-74.

2. The next initiative (F-A-2143) on page A-67 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund of \$320,000 in state fiscal year 2026 and \$319,931 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-58, A-60, A-61 and A-74.

PNMI Room and Board

The next program on page A-74 is **PNMI Room and Board – Z009**. This program has 2 initiatives.

1. The first initiative (F-A-2143) on page A-74 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative provides General Fund of \$2,080,000 in state fiscal year 2026 and \$2,079,549 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-58, A-60, A-61 and A-67.

1. The next initiative (F-A-2143) on page A-74 provides funding to increase MaineCare appropriations and allocations to reflect trends in health care costs and enrollment. This initiative requests funding to better align appropriation and allocation levels to currently projected amounts and includes updates for general cost increases in residential and home and community-based services, hospital cost settlement, hospital prospective interim payments, and federally required coverage of new and expensive drugs, among other areas. This initiative provides General Fund of \$2,080,000 in state fiscal year 2026 and \$2,079,549 in state fiscal year 2027. This initiative can also be found on pages A-47, A-53, A-54, A-55, A-57, A-58, A-60, A-61 and A-67.

2. The next initiative (F-A-7174) on page A-74 provides one-time funding for a supplemental payment to the Maine Veterans' Homes for MaineCare residents. This payment is intended to cover any difference between allowable costs and MaineCare reimbursement per most recent

cost report, up to the appropriated amounts. This initiative provides General Fund All Other funding of \$1,386,060 in state fiscal year 2027. This initiative can also be found on page A-57.

2. The next initiative (F-A-7174) on page A-74 provides one-time funding for a supplemental payment to the Maine Veterans' Homes for MaineCare residents. This initiative provides one-time funding to pay a supplemental payment to Maine Veterans' Homes Residential Care Facilities. This payment is intended to cover any difference between allowable costs and MaineCare reimbursement per most recent cost report, up to the appropriated amounts. This initiative provides General Fund All Other funding of \$1,386,060 in state fiscal year 2027. This initiative can also be found on page A-57.

Traumatic Brain Injury Seed

The next program on page A-76 is **Traumatic Brain Injury Seed – Z214**. This program has one initiative.

1. This initiative (F-A-2149) on page A-76 adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund of \$782,710 in state fiscal year 2027. This initiative provides General Fund of \$1,873 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-56, A-58, A-60, A-61 and A-67.

1. This initiative (F-A-2149) on page A-76 adjusts funding as a result of the increase in the state share of the blended Federal Medicaid Assistance Percentage for fiscal year 2027. This initiative adjusts funding to reflect the increase in the Federal Medical Assistance Percentage (FMAP) from a state share blended rate of 38.71% in fiscal year 2027 to a projected blended rate of 39.26% in fiscal year 2026-27. This initiative provides General Fund All Other funding of \$1,873 in state fiscal year 2027. This initiative can also be found on pages A-47, A-51, A-53, A-54, A-55, A-56, A-58, A-60, A-61 and A-67.

Language

Language submitted on page 23, Part L, changes the base year for the hospital tax from hospital fiscal year 2022 to hospital fiscal year 2024. This change is effective beginning with the May 15, 2026, payment.

Language submitted on page **66, Part WW**, requires the Department of Health and Human Services to establish reimbursement rates for Maine Veterans' Homes nursing facility services covered by the MaineCare program. It requires the MaineCare program to reimburse veterans' facilities for covered nursing home services on a per resident daily rate basis that is reasonable and adequate to cover the total MaineCare allowable costs of operating veterans' facilities. The per diem calculated pursuant to this section for veterans' nursing homes comprises total nursing facility reimbursement for veterans' facilities. The per diems developed under this section must be adjusted for inflation to the same extent that reimbursement rates for non-veterans' nursing facilities are adjusted.

Language submitted on page **69, Part AAA**, clarifies that the total supplemental payment amount to private psychiatric hospitals includes appropriations from multiple Acts.

Language submitted on page **70, Part EEE**, authorizes the Department of Health and Human Services to transfer Personal Services to the All Other and Capital Expenditures line categories in order to fund the replacement of the camera and access control system at Dorothea Dix Psychiatric Center, rate determinations for MaineCare services and a comprehensive benchmarking analysis for Medicaid rates.

APPENDIX A: Reclasses/Reorgs/Range Changes

Civil Service Rules require the State's Human Resources Officer to maintain the classification plan and establish the processes and procedures with which to do so. There is a long-standing process in place to evaluate proper classification of positions and determine through a functional job analysis whether a position meets the requirements for reclassification, including any pay adjustment. The State's collective bargaining unit agreements include negotiated language related to this process. Actions may include changing classification or keeping the same classification, but changing pay range (usually referenced in blippie as range change). Requests may be employee initiated (usually referred to as reclass) or management initiated (usually referred to as reorganization). Approved employee-initiated actions include a retroactive pay component back to the date the request was signed. Reclass/reorg/range change initiatives in Part A of the budget are necessary to fund these approved actions, which is required before the action can be processed and paid.

| Page | Program | Fund | FY 2026 Amount | FY 2027 Amount |
|------|---------|------|----------------|----------------|
| A-45 | 056301 | 010 | 12,125.00 | 3,918.00 |
| A-46 | 014201 | 010 | (20,512.00) | (101,653.00) |
| A-46 | 014201 | 014 | (13,675.00) | (67,768.00) |
| A-53 | 014330 | 024 | 11,418.00 | 4,925.00 |
| A-59 | Z20607 | 010 | (24,950.00) | (118,680.00) |
| A-68 | 030701 | 010 | 18,912.00 | 93,067.00 |
| A-68 | 030701 | 014 | 7,358.00 | 36,193.00 |
| A-70 | 045201 | 010 | 68,586.00 | 68,839.00 |
| A-70 | 045201 | 014 | 18,223.00 | 18,293.00 |
| A-70 | 045201 | 010 | 28,055.00 | 12,860.00 |
| A-70 | 045201 | 014 | 7,458.00 | 3,417.00 |
| A-72 | 012901 | 010 | 13,542.00 | 67,220.00 |
| A-72 | 012901 | 013 | 13,543.00 | 67,224.00 |
| A-74 | 012901 | 010 | 654.00 | 1,711.00 |
| A-74 | 012901 | 013 | 654.00 | 1,710.00 |
| A-76 | 013901 | 010 | 50,232.00 | 19,994.00 |
| A-76 | 013901 | 014 | 21,527.00 | 8,567.00 |