

February 11, 2015

To: Senator James M. Hamper, Chair
 Representative Margaret R. Rotundo, Chair
 Members of the Joint Standing Committee on Appropriations and Financial Affairs

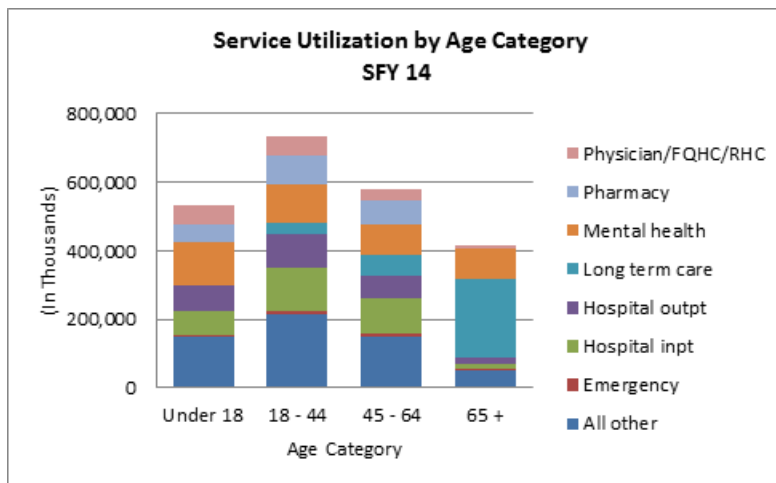
From: Mary C. Mayhew, Commissioner, Department of Health and Human Services

Re: DHHS response to questions from January 21, 2015

1. Please provide a breakdown of age distribution in Medicaid for the top 5% and for the overall Medicaid population.

Response:

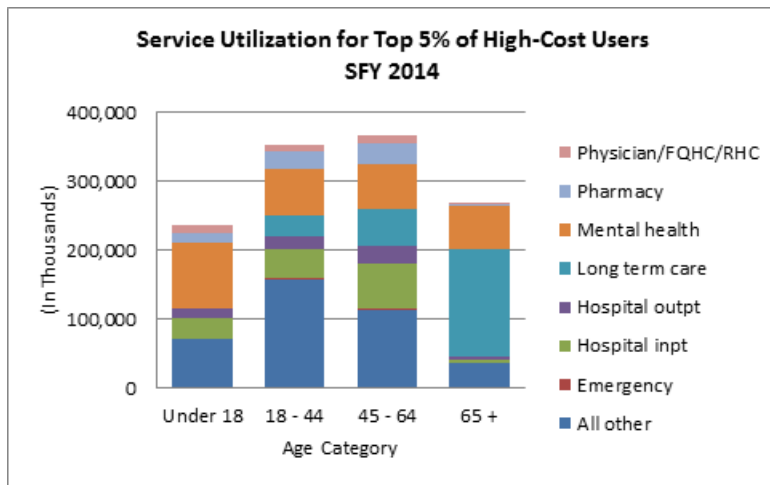
All Members



Expenditure Category	Under 18	18 - 44	45 - 64	65 +
All other	\$147,017	\$215,984	\$150,233	\$51,799
Emergency	\$4,531	\$9,618	\$6,189	\$2,369
Hospital inpt	\$71,740	\$125,945	\$103,839	\$14,659
Hospital outpt	\$74,283	\$95,841	\$68,575	\$17,276
Long term care	\$563	\$32,389	\$58,321	\$231,148
Mental health	\$126,624	\$114,416	\$88,939	\$87,085
Pharmacy	\$53,100	\$85,199	\$69,449	\$2,825
Physician/FQHC/RHC	\$53,431	\$56,209	\$34,869	\$8,607

**all numbers in thousands*

Top 5% MaineCare Members



Expenditure Category	Under 18	18 - 44	45 - 64	65 +
All other	\$70,101	\$157,772	\$112,219	\$35,708
Emergency	\$1,214	\$2,371	\$2,972	\$777
Hospital inpt	\$30,413	\$41,460	\$65,400	\$5,226
Hospital outpt	\$14,219	\$18,050	\$26,521	\$4,041
Long term care	\$556	\$31,956	\$52,793	\$156,852
Mental health	\$93,545	\$67,137	\$65,558	\$62,340
Pharmacy	\$14,599	\$25,258	\$28,953	\$856
Physician/FQHC/RHC	\$11,738	\$9,914	\$11,619	\$2,145

**all numbers in thousands*

- Will the additional resources for the waitlists in the proposed budget impact the cost neutrality provisions within the waiver?

Response: The waiver would be amended to reflect the additional people that will be added with the appropriated funds. Cost neutrality would be updated in the waiver to reflect the addition of these new people. As a reminder, cost neutrality is part of the waiver to ensure that we are not spending more per person on community based services than we would for the individual to be in an institution.

- Please provide budget to actual for SIM grant spending?

Response: In the first year of the State Innovation Model (SIM) project, Maine expended 81.3% of its budgeted funds. A carryover request has been submitted for the balance and we are awaiting approval and release of those funds.

4. Why is there such a large difference on the between SFY '13 and SFY '14 in the Commissioner's office historical expenditure report?

Response: The apparent funding increase in the Commissioner's Office account from FY 2015 to FY 2016 is due to a Department-wide deappropriation in FY 2015. Department budgeting practices house the deappropriation in the Commissioner's Office account—in this case approximately \$6.1 million (\$4.1 million in Personal Services; \$2.0 million in All Other)—prior to its dispersal across numerous DHHS appropriations through budget and financial orders, which the deappropriating legislation permits. In actuality, the Department's authorized budget for the Commissioner's Office for FY 15 is \$27.1 million and remains largely in line for FY 2016 and FY 2017 at amounts of \$27.8 million and \$28.3 million, respectively. For FY 2014, this figure was \$27.3 million.

Please note that, for FY 16 and FY 17, the document the Department shared with members of the Committee showed figures of \$25.8 million in FY 16 and \$26.3 million in FY 17 for Commissioner's Office funding. These figures account for the \$2 million in Department-wide savings that the Department believes was erroneously extended from FY 14. We have included a biennial budget initiative to reverse this reduction but still account for it in current DHHS budget documents. If this reduction is not reversed, the \$2 million in savings would be spread across the Department (just as the \$6.1 million has been in FY 15) and not paid out of the Commissioner's Office account.

5. What is the cost to administer the MaineCare Forecast?

Response: The Holt-Winters forecasting algorithm that the MaineCare Financial Analysis Group uses is an open source software analytical tool, for which the State of Maine does not incur a cost to utilize. The personnel who use the Holt-Winters tool and perform subsequent forecasting review and revisions of Maine's projected Medicaid expenditures are DHHS financial analysts and program staff members.