

## OFPR Expenditure Review through 1st Quarter SFY 2020

### MaineCare Expenditure Detail through 1st Quarter of SFY 2020

MaineCare Expenditure Table 1 uses expenditure data from the State’s financial warehouse (MFASIS) through 3 months of FY 2020 to compare MaineCare expenditures by expenditure category for the last three fiscal years. MaineCare “All Funds” spending through 3 months of FY 2020 increased by \$101.1 million from FY 2019 to FY 2020. As detailed in MaineCare Table 1, FY 2020 spending through 3 months increased in the hospital services, HCBS waivers, pharmacy, devices and supplies, medical professionals, laboratory, clinic services and transportation services expenditure categories; and decreased in the other professionals and home health expenditure categories. These increases were expected due to two items: 1) Medicaid expansion began in January of 2019 with a total cost of \$65,179,628 in the 1<sup>st</sup> quarter of SFY 2020 and 2) Rate increases to multiple services during the 128th legislature effective July 1, 2019 that did not begin until the 2nd quarter of SFY 2019. See “Outline of All Funds Expenditure Increases in 1st Quarter SFY 2020” below for a detailed breakdown.

FY 2020 MaineCare “All Funds” spending through 3 months increased by 14.8% over last year’s spending. MaineCare Expenditure Table 1 also shows that aggregate General Fund expenditures through 3 months of FY 2020 increased by 31.4% compared to FY 2019. This increase was expected due to three items: 1) Medicaid expansion began in January of 2019 with a total General Fund cost of \$6,235,532 in the 1<sup>st</sup> quarter of SFY 2020, 2) Rate increases to multiple services during the 128th legislature effective July 1, 2019 that did not begin until the 2nd quarter of SFY 2019 and 3) multiple journal entries to transfer funds from the federal MaineCare account into a General Fund MaineCare account, causing an increase in General Fund expenditures. This transfer was made due to multiple disallowances of Riverview Psychiatric Center Disproportionate Share funding. See “Outline of General Fund Expenditure Increases in 1st Quarter SFY 2020” outline below for a detailed breakdown. MaineCare Expenditure Table 2 below shows the percent increase by expenditure category without the Medicaid Expansion expenditures, for a better comparison of year to year expenditures.

**MaineCare Expenditure Table 1.**

#### MaineCare and Related Expenditures Detail Through 3 Months

*All Funds - Through 3 Months*

Expenditure Categories	FY 2018	FY 2019	FY 2020	Chgs. FY 2019 to FY 2020	
	3 Months	3 Months	3 Months	\$	%
1 Hospital Services	\$137,345,050	\$127,338,301	\$157,567,099	\$30,228,798	23.7%
2 Residential Care	\$142,566,523	\$159,844,896	\$169,349,181	\$9,504,285	5.9%
3 HCBS Waivers	\$101,821,623	\$103,946,634	\$136,140,290	\$32,193,655	31.0%
4 Pharmacy and Related	\$38,181,527	\$35,604,998	\$43,153,505	\$7,548,506	21.2%
5 Devices and Supplies	\$5,721,877	\$5,724,407	\$7,225,867	\$1,501,460	26.2%
6 Medical Professionals	\$32,371,580	\$32,691,318	\$40,247,709	\$7,556,391	23.1%
7 Other Professionals	\$10,376,661	\$6,322,710	\$1,665,105	(\$4,657,604)	-73.7%
8 Dentistry	\$5,981,652	\$5,989,053	\$5,704,413	(\$284,640)	-4.8%
9 Medicare Deductible and Co-insurance	\$23,457,430	\$23,255,445	\$22,229,115	(\$1,026,330)	-4.4%
10 Medicare A, B, D Premiums	\$48,482,217	\$43,968,327	\$49,253,599	\$5,285,272	12.0%
11 Laboratory	\$2,399,059	\$2,397,570	\$2,887,422	\$489,852	20.4%
12 Health Homes	\$14,404,813	\$16,753,656	\$18,335,259	\$1,581,604	9.4%
13 Behavioral Health Services	\$45,327,283	\$45,341,577	\$45,848,177	\$506,599	1.1%
14 Clinic Services	\$12,106,348	\$12,450,396	\$15,982,645	\$3,532,249	28.4%
15 Home Health	\$3,696,149	\$3,646,720	\$2,780,495	(\$866,225)	-23.8%
16 Rehabilitation Services	\$16,713,913	\$16,222,391	\$18,920,515	\$2,698,123	16.6%
17 Case Management	\$8,800,759	\$9,266,301	\$9,476,493	\$210,192	2.3%
18 School-Based Services	\$10,787,379	\$13,700,655	\$12,993,985	(\$706,670)	-5.2%
19 Transportation Services	\$12,488,017	\$11,562,252	\$13,967,047	\$2,404,795	20.8%
20 Other Expenditure Codes	\$8,092,634	\$8,296,287	\$11,737,365	\$3,441,077	41.5%
21 Accounting Adjustments	(\$1,865,253)	(\$2,517,401)	(\$53,594)	\$2,463,807	-97.9%
22 Other Adjustments	(\$5,443,573)	(\$5,647,991)	(\$4,513,630)	\$1,134,361	-20.1%
<b>All Funds Total</b>	<b>\$673,813,667</b>	<b>\$676,158,504</b>	<b>\$780,898,061</b>	<b>\$104,739,557</b>	<b>15.5%</b>
Minus Accounting and Other Adjustmen	\$7,308,826	\$8,165,392	\$4,567,224	(\$3,598,167)	-44.1%
<b>All Funds Adjusted Total</b>	<b>\$681,122,494</b>	<b>\$684,323,895</b>	<b>\$785,465,285</b>	<b>\$101,141,390</b>	<b>14.8%</b>
<b>General Fund Totals</b>	<b>\$200,038,954</b>	<b>\$213,951,075</b>	<b>\$285,392,066</b>	<b>\$71,440,991</b>	<b>33.4%</b>
Minus Accounting and Other Adjustmen	\$3,804,254	\$4,549,101	\$1,654,448	(\$2,894,653)	-63.6%
<b>General Fund Adjusted Totals</b>	<b>\$203,843,208</b>	<b>\$218,500,176</b>	<b>\$287,046,514</b>	<b>\$68,546,338</b>	<b>31.4%</b>

<sup>1</sup> Includes bad debt write-offs and other adjustments (e.g., third party liability collections, audit settlements, etc.) that are not

# OFPR Expenditure Review through 1st Quarter SFY 2020

## Outline of All Funds Expenditure Increases through 1st Quarter of SFY 2020

### Medicaid Expansion Impact - By Funds

*Through the 1st Quarter of SFY 2020*

Expenditure Categories	SFY 2020		
	General Fund	Federal Funds	All Funds Total
1 Hospital Services	\$ 2,805,466	\$ 27,159,642	\$ 29,965,108
2 Residential Care	\$ 105,201	\$ 1,323,495	\$ 1,428,696
3 HCBS Waivers	\$ 55,619	\$ 724,210	\$ 779,829
4 Pharmacy and Related	\$ 1,436,570	\$ 12,398,745	\$ 13,835,315
5 Devices and Supplies	\$ 81,340	\$ 634,592	\$ 715,932
6 Medical Professionals	\$ 614,124	\$ 5,574,248	\$ 6,188,371
7 Other Professionals	\$ 24,957	\$ 198,076	\$ 223,033
8 Dentistry	\$ 38,958	\$ 349,703	\$ 388,661
9 Medicare Deductible and Co-insurance	\$ 2,702	\$ 23,839	\$ 26,541
11 Laboratory	\$ 92,836	\$ 939,498	\$ 1,032,334
12 Health Homes	\$ 1,559	\$ 7,821	\$ 9,380
13 Behavioral Health Services	\$ 325,342	\$ 3,333,356	
14 Clinic Services	\$ 320,669	\$ 3,245,135	\$ 3,565,805
15 Home Health	\$ 24,647	\$ 258,206	
16 Rehabilitation Services	\$ 13,531	\$ 132,005	
17 Case Management	\$ 18,937	\$ 218,882	
18 School Based Services	\$ 940	\$ 12,491	
19 Transportation Services	\$ 271,904	\$ 2,407,226	
20 Other Expenditure Codes	\$ 229	\$ 2,927	
<b>Medicaid Expansion Total</b>	<b>\$ 6,235,532</b>	<b>\$ 58,944,097</b>	<b>\$ 65,179,628</b>

Quarterly Estimated Increase From Rate Changes for 1st Quarter SFY 2020. Since the changes were effective July 1, 2019 they did not begin until the 2nd quarter of SFY 2019.

**\$ 37,260,915**

**Impact of these Two Items \$ 102,440,543**

## Outline of General Fund Expenditure Increases through 1st Quarter of SFY 2020

### Medicaid Expansion Impact - General Fund

*Through the 1st Quarter of SFY 2020*

Expenditure Categories	SFY 2020
	General Fund
1 Hospital Services	\$ 2,805,466
2 Residential Care	\$ 105,201
3 HCBS Waivers	\$ 55,619
4 Pharmacy and Related	\$ 1,436,570
5 Devices and Supplies	\$ 81,340
6 Medical Professionals	\$ 614,124
7 Other Professionals	\$ 24,957
8 Dentistry	\$ 38,958
9 Medicare Deductible and Co-insurance	\$ 2,702
11 Laboratory	\$ 92,836
12 Health Homes	\$ 1,559
13 Behavioral Health Services	\$ 325,342
14 Clinic Services	\$ 320,669
15 Home Health	\$ 24,647
16 Rehabilitation Services	\$ 13,531
17 Case Management	\$ 18,937
18 School Based Services	\$ 940
19 Transportation Services	\$ 271,904
20 Other Expenditure Codes	\$ 229
<b>Medicaid Expansion Total</b>	<b>\$ 6,235,532</b>

Quarterly Estimated Increase From Rate Changes effective July 1, 2019 that did not begin until the 2nd quarter of SFY 2019.

**\$ 13,488,451**

DSH - Total Transfers from Reserve for CMS repayments for Riverview Psychiatric Center DSH in 1st Quarter of SFY 2020.

**\$ 58,501,189**

**Impact of these Three Items \$ 78,225,172**

# OFPR Expenditure Review through 1st Quarter SFY 2020

## Outline of All Funds Expenditures on Medicaid Expansion Since Inception

### Medicaid Expansion Impact - by SFY

Through 09/30/19

Expenditure Categories	SFY 2019	SFY 2020	Total
1 Hospital Services	\$ 27,510,310	\$ 29,965,108	\$ 57,475,418
2 Residential Care	\$ 1,280,714	\$ 1,428,696	\$ 2,709,410
3 HCBS Waivers	\$ 6,563	\$ 779,829	\$ 786,392
4 Pharmacy and Related	\$ 8,512,542	\$ 13,835,315	\$ 22,347,856
5 Devices and Supplies	\$ 508,123	\$ 715,932	\$ 1,224,055
6 Medical Professionals	\$ 5,673,060	\$ 6,188,371	\$ 11,861,431
7 Other Professionals	\$ 242,429	\$ 223,033	\$ 465,462
8 Dentistry	\$ 340,460	\$ 388,661	\$ 729,121
9 Medicare Deductible and Co-insurance	\$ 28,721	\$ 26,541	\$ 55,262
11 Laboratory	\$ 1,131,354	\$ 1,032,334	\$ 2,163,688
12 Health Homes	\$ 8,642	\$ 9,380	\$ 18,022
13 Behavioral Health Services	\$ 3,119,624	\$ 3,658,698	\$ 6,778,322
14 Clinic Services	\$ 4,250,471	\$ 3,565,805	\$ 7,816,276
15 Home Health	\$ 257,244	\$ 282,853	\$ 540,097
16 Rehabilitation Services	\$ 63,255	\$ 145,536	\$ 208,790
17 Case Management	\$ 211,703	\$ 237,819	\$ 449,522
18 School Based Services	\$ 5,034	\$ 13,431	\$ 18,466
19 Transportation Services	\$ 1,086,670	\$ 2,679,130	\$ 3,765,800
20 Other Expenditure Codes	\$ 1,535	\$ 3,157	\$ 4,691
<b>Medicaid Expansion Total</b>	<b>\$ 54,238,452</b>	<b>\$ 65,179,628</b>	<b>\$ 119,418,080</b>

MaineCare Expenditure Table 2.

**MaineCare and Related Expenditures Detail Through 3 Months**  
*All Funds - Through 3 Months*

Expenditure Categories	FY 2019			FY 2020			without Med Exp Chgs. FY 2019 to FY 2020	
	Actual	Med Exp	w/o Med Exp	Actual	Med Exp	w/o Med Exp	\$	%
	1 Hospital Services	\$127,338,301	\$0	\$127,338,301	\$157,567,099	\$29,965,108	\$127,601,991	\$263,690
2 Residential Care	\$159,844,896	\$0	\$159,844,896	\$169,349,181	\$1,428,696	\$167,920,485	\$8,075,589	5.1%
3 HCBS Waivers	\$103,946,634	\$0	\$103,946,634	\$136,140,290	\$779,829	\$135,360,461	\$31,413,827	30.2%
4 Pharmacy and Related	\$35,604,998	\$0	\$35,604,998	\$43,153,505	\$13,835,315	\$29,318,190	(\$6,286,808)	-17.7%
5 Devices and Supplies	\$5,724,407	\$0	\$5,724,407	\$7,225,867	\$715,932	\$6,509,935	\$785,528	13.7%
6 Medical Professionals	\$32,691,318	\$0	\$32,691,318	\$40,247,709	\$6,188,371	\$34,059,337	\$1,368,020	4.2%
7 Other Professionals	\$6,322,710	\$0	\$6,322,710	\$1,665,105	\$223,033	\$1,442,073	(\$4,880,637)	-77.2%
8 Dentistry	\$5,989,053	\$0	\$5,989,053	\$5,704,413	\$388,661	\$5,315,753	(\$673,301)	-11.2%
9 Medicare Deductible and Co-insura	\$23,255,445	\$0	\$23,255,445	\$22,229,115	\$26,541	\$22,202,574	(\$1,052,871)	-4.5%
10 Medicare A, B, D Premiums	\$43,968,327	\$0	\$43,968,327	\$49,253,599	\$0	\$49,253,599	\$5,285,272	12.0%
11 Laboratory	\$2,397,570	\$0	\$2,397,570	\$2,887,422	\$1,032,334	\$1,855,087	(\$542,482)	-22.6%
12 Health Homes	\$16,753,656	\$0	\$16,753,656	\$18,335,259	\$9,380	\$18,325,879	\$1,572,224	9.4%
13 Behavioral Health Services	\$45,341,577	\$0	\$45,341,577	\$45,848,177	\$3,658,698	\$42,189,479	(\$3,152,098)	-7.0%
14 Clinic Services	\$12,450,396	\$0	\$12,450,396	\$15,982,645	\$3,565,805	\$12,416,840	(\$33,556)	-0.3%
15 Home Health	\$3,646,720	\$0	\$3,646,720	\$2,780,495	\$282,853	\$2,497,642	(\$1,149,079)	-31.5%
16 Rehabilitation Services	\$16,222,391	\$0	\$16,222,391	\$18,920,515	\$145,536	\$18,774,979	\$2,552,588	15.7%
17 Case Management	\$9,266,301	\$0	\$9,266,301	\$9,476,493	\$237,819	\$9,238,674	(\$27,627)	-0.3%
18 School Based Services	\$13,700,655	\$0	\$13,700,655	\$12,993,985	\$13,431	\$12,980,554	(\$720,101)	-5.3%
19 Transportation Services	\$11,562,252	\$0	\$11,562,252	\$13,967,047	\$2,679,130	\$11,287,917	(\$274,335)	-2.4%
20 Other Expenditure Codes	\$8,296,287	\$0	\$8,296,287	\$11,737,365	\$3,157	\$11,734,208	\$3,437,921	41.4%
21 Accounting Adjustments	(\$2,517,401)	\$0	(\$2,517,401)	(\$53,594)	\$0	(\$53,594)	\$2,463,807	na
22 Other Adjustments	(\$5,647,991)	\$0	(\$5,647,991)	(\$4,513,630)	\$0	(\$4,513,630)	\$1,134,361	na
All Funds Total	\$676,158,504	\$0	\$676,158,504	\$780,898,061	\$65,179,628	\$715,718,433	\$39,559,929	5.9%
General Fund Totals	\$213,951,075	\$0	\$213,951,075	\$285,392,066	\$6,235,532	\$279,156,535	\$65,205,459	30.5%