

Summary of LD 1816 Streamlining Recommendations And FY 12 MaineCare Supplemental Budget

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**Prepared by the
Office of Fiscal & Program Review**

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LD 1816
Streamlining Recommendations and FY 12 MaineCare Supplemental
Summary of General Fund Budgeted Balance

	FY 12	FY 13
Summary of General Fund Status		
Beginning Balances - Through 125th Legislature, 1st Special Session	\$19,019,140	\$236,596
Net Changes to Balances - Prior to December 2011 Forecast	(\$18,286,976)	\$4,548,338
Net Changes from December 2011 Revenue Forecast	\$10,645,254	(\$9,643,359)
Net Change from Unsigned Laws Effective During 2nd Regular Session	\$0	(\$112,000)
Net Changes to Balances - From LD 1816 (see below)	(\$11,140,822)	\$5,275,222
General Fund Budgeted Ending Balances - After LD 1816	<u>\$236,596</u>	<u>\$304,797</u>

Summary of Appropriations and Revenue/Transfers - LD 1816

Resources (Transfers/Adjustments to Balance and Revenue):		
- General Fund Transfers and Adjustments to Balance	\$70,904,000	(\$58,400,000)
- General Fund Revenue	\$1,015,000	\$3,409,688
Net Increase (Decrease) to Resources	<u>\$71,919,000</u>	<u>(\$54,990,312)</u>
General Fund Appropriations:		
- General Fund Appropriations	\$83,059,822	(\$60,265,534)
Net Increase (Decrease) of Appropriations	<u>\$83,059,822</u>	<u>(\$60,265,534)</u>
Net Increase (Decrease) to Balance - LD 1816	<u>(\$11,140,822)</u>	<u>\$5,275,222</u>

Summary General Fund "Spending" and "Savings" in LD 1816

Initiatives Decreasing Resources ("Spending")		
- DHHS - MaineCare Shortfall Offset	\$107,257,307	\$0
- Deappropriation for Streamlining Task Force Offset	\$0	\$25,000,000
Total Spending - LD 1816	<u>\$107,257,307</u>	<u>\$25,000,000</u>
Initiatives Increasing Resources ("Savings")		
Amended Streamlining Task Force Recommendations (see Pages 2 & 3)	\$3,651,457	\$21,498,293
Non-DHHS/Non-Streamlining Savings (see Page 4)	\$68,632,198	(\$50,844,841)
DHHS MaineCare Initiatives (See Page 5)	\$13,832,830	\$52,131,786
DHHS non-MaineCare Initiatives (See Page 5)	\$10,000,000	\$7,489,984
Total Savings - LD 1816	<u>\$96,116,485</u>	<u>\$30,275,222</u>
Net Increase (Decrease) to General Fund Resources	<u>(\$11,140,822)</u>	<u>\$5,275,222</u>

Summary of DHHS Estimated MaineCare General Fund Shortfall ¹

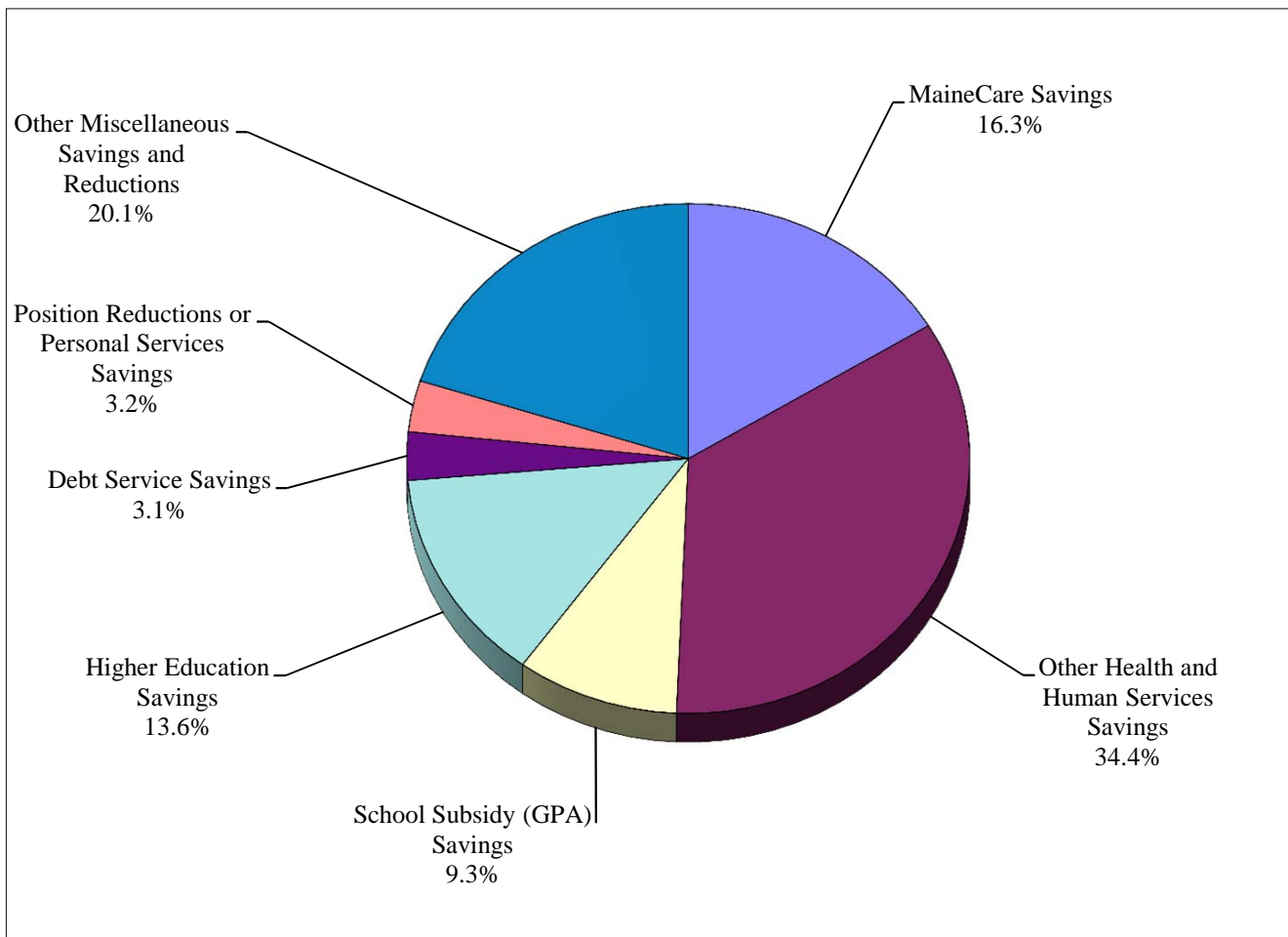
MaineCare Shortfall - DHHS Estimates (December 2011)	\$120,944,523	\$101,017,563
Proposed Savings by Administrative Actions (Financial Order Adjustments)	(\$13,687,216)	(\$17,100,000)
Net DHHS Estimated Shortfall Requiring Legislative Changes	<u>\$107,257,307</u>	<u>\$83,917,563</u>

Notes:

¹ Reflects estimates of the General Fund MaineCare "Shortfall" developed by DHHS.

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Streamlining Recommendations and FY 12 MaineCare Supplemental
Summary of General Fund Savings from Streamlining Task Force
As Amended by the Appropriations Committee

	FY 12	FY 13	% of Total
MaineCare Savings	\$5,919	\$4,086,188	16.3%
Other Health and Human Services Savings	\$660,752	\$7,991,173	34.4%
School Subsidy (GPA) Savings	\$2,000,000	\$350,000	9.3%
Higher Education Savings	\$0	\$3,425,422	13.6%
Debt Service Savings	\$0	\$767,694	3.1%
Position Reductions or Personal Services Savings	\$260,134	\$554,418	3.2%
Other Miscellaneous Savings and Reductions	\$724,652	\$4,323,398	20.1%
Total Streamlining Savings	\$3,651,457	\$21,498,293	100.0%



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Streamlining Recommendations and FY 12 MaineCare Supplemental

Summary of Differences Between Streamlining Task Force Recommendations and Part A of the Committee Bill

Net General Fund Costs (Savings)

	FY 12	FY 13
Offset of Statewide deappropriation (PL 2011 c. 380 Sec. KKK)	\$0	\$25,000,000
Task Force Recommendations to offset statewide deappropriations	(\$3,222,617)	(\$21,940,606)
Net General Fund Cost (Savings) from Task Force Recommendations	<u>(\$3,222,617)</u>	<u>\$3,059,394</u>

Changes to the Task Force Recommendations - Net General Fund Costs (Savings)

	FY 12	FY 13
Changes Requested by the Executive Branch		
DECD Office of Innovation (additional savings in All Other)	\$0	(\$200,000)
DECD Maine Small Business and Entrepreneurship Commission	\$0	\$200,000
DHHS Developmental Services - Community (Position transfers moved to FY12)	(\$428,840)	\$0
IFW Administrative Services- IFW (additional savings in All Other)	\$0	(\$6,540)
IFW Various Programs (delete cost savings from vacating a state-owned facility)	\$0	\$6,540
Subtotal - Changes Requested by the Executive Branch	<u>(\$428,840)</u>	<u>\$0</u>
Appropriations Committee Changes to the Task Force Recommendations		
DHHS Medical Payments to Providers (substitution for "Suboxone" initiative)	\$0	\$187,313
DHHS - Independent Housing With Services (contract savings initiative removed)	\$0	\$125,000
DOE - GPA (restoration of teacher salary supplement)	\$0	\$100,000
DOL - Women Work and Community (savings reduced by 1/2)	\$0	\$30,000
Subtotal - Appropriations Committee Changes	<u>\$0</u>	<u>\$442,313</u>
Total Net Changes to the Task Force Recommendations	<u>(\$428,840)</u>	<u>\$442,313</u>
Net General Fund Cost (Savings) from Committee Bill	<u>(\$3,651,457)</u>	<u>\$3,501,707</u>

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Streamlining Recommendations and FY 12 MaineCare Supplemental
Summary of Non-DHHS Initiatives

Part	Description	<u>FY 12</u>	<u>FY 13</u>
Non-DHHS General Fund Revenue and Transfers:			
II	One-day Borrowing Increase to \$102 million	\$59,000,000	(\$59,000,000)
Q	Other Special Revenue Transfers - Statewide to be determined	\$2,000,000	\$0
R	Other Special Revenue Transfers - Professional and Financial Regulation accounts	\$3,000,000	\$0
S	Lapse balance from Salary Plan	\$0	\$600,000
T	Transfer from Workers' Comp Board Reserve	\$500,000	
V	Lapsed balances from Legislative accounts	\$1,404,000	\$0
U	Transfer from FAME's Loan Insurance Reserve Fund	\$1,000,000	\$1,000,000
EE	Racino revenue shifted from the Fund for a Healthy Maine (FHM) to General Fund by lowering FHM's share cap	\$0	\$2,000,000
		<u>\$66,904,000</u>	<u>(\$55,400,000)</u>
Non-DHHS General Fund Appropriations (Deappropriations):			
M	Debt services savings from delay in public safety radio network system	(\$1,728,198)	\$0
N	Executive branch 1% All Other Deappropriation	\$0	(\$4,555,159)
		<u>(\$1,728,198)</u>	<u>(\$4,555,159)</u>
Total Costs (Savings) from Non-DHHS Initiatives		<u><u>(\$68,632,198)</u></u>	<u><u>\$50,844,841</u></u>

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Streamlining Recommendations and FY 12 MaineCare Supplemental
Department of Health and Human Services Initiatives
General Fund Savings

	FY 12	FY 13
Non-Streamlining MaineCare and Related		
MaineCare Eligibility/ Recipients Reductions		
Childless Adult Waiver (FY12 Dirigo transfer; FY13 \$40M limit)	(\$10,000,000)	(\$11,000,000)
Reduce MaineCare Parent Eligibility from 200% to 133% 10/2012	\$0	(\$7,210,000)
Transfer from Dirigo for Cub Care MaineCare seed	(\$472,800)	(\$2,566,881)
MaineCare Prescription Drugs - mandating the use of generic drugs with limited exceptions	(\$1,134,000)	(\$6,780,000)
MaineCare Hospitals - Service limits and reimbursement reductions	(\$1,150,932)	(\$7,977,560)
MaineCare Optional Services - Limits and rate reductions	(\$123,912)	(\$667,808)
Developmental Services - 5% rate reduction for agency per diem homes	\$0	(\$3,654,635)
MaineCare Other:		
Collection of overpayments to MaineCare providers due to errors in calculating cost of care	\$0	(\$11,000,000)
Increased third party cost avoidance efforts	(\$500,000)	(\$500,000)
Collection of legal settlement payments from MaineCare providers	(\$363,696)	\$0
Transfer from the HOME fund for TCM for the homeless	\$0	(\$300,000)
Lowering weekly methadone reimbursement from \$70 to \$60	(\$87,490)	(\$474,902)
Subtotal MaineCare Savings/Reductions	(\$13,832,830)	(\$52,131,786)
Other Non-Streamlining DHHS savings		
DHHS Management - Salary Savings	(\$5,000,000)	(\$3,000,000)
Office of Medical Services Lapsed Balance	(\$5,000,000)	\$0
Developmental Services - Rental Assistance	\$0	(\$1,200,000)
Children's Services - eliminates funding for the supplemental services for children with complex emotional and behavioral needs (Wraparound ME)	\$0	(\$1,999,984)
Children's Services - reduces funding by reducing contracts in the alternative response program	\$0	(\$1,290,000)
Subtotal Other DHHS Savings/Reductions	(\$10,000,000)	(\$7,489,984)
DHHS Streamlining Savings/Reductions		
MaineCare Savings - outpatient hospital and prescription drug limits	(\$5,919)	(\$4,086,188)
Children's Services - reduces funding for the supplemental services for children with complex emotional and behavioral needs (Wraparound ME)	\$0	(\$2,186,686)
DHHS Administrative/Management Initiatives	(\$597,608)	(\$4,913,575)
Other DHHS Streamlining Initiatives	(\$63,144)	(\$890,912)
Subtotal DHHS Streamlining Savings/Reductions	(\$666,671)	(\$12,077,361)
Total DHHS Savings/Reductions ¹	(\$24,499,501)	(\$71,699,131)

¹ DHHS has identified additional administrative offsets of \$13.7 million in FY 12 and \$17.1 million in FY 13 to help fund the total estimated MaineCare shortfall.