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Date: (Filing No. S-)

HEALTH AND HUMAN SERVICES

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**STATE OF MAINE
SENATE
126TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 631, L.D. 1640, Bill, “An Act To Enhance the Stability and Predictability of Health Care Costs for Returning Veterans and Others by Addressing the Issues Associated with Hospital Charity Care and Bad Debt”

Amend the bill by striking out the title and substituting the following:

'An Act To Expand MaineCare for Veterans and Low-income Residents'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'PART A

Sec. A-1. 22 MRSA §3174-G, sub-§1, ¶F, as amended by PL 2011, c. 380, Pt. KK, §2, is further amended to read:

F. A person 20 to 64 years of age who is not otherwise covered under paragraphs A to E when the person's family income is below or equal to 125% of the nonfarm income official poverty line, provided that the commissioner shall adjust the maximum eligibility level in accordance with the requirements of the paragraph.

(2) If the commissioner reasonably anticipates the cost of the program to exceed the budget of the population described in this paragraph, the commissioner shall lower the maximum eligibility level to the extent necessary to provide coverage to as many persons as possible within the program budget.

(3) The commissioner shall give at least 30 days' notice of the proposed change in maximum eligibility level to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over health and human services matters; ~~and~~

Sec. A-2. 22 MRSA §3174-G, sub-§1, ¶G, as enacted by PL 2011, c. 380, Pt. KK, §3, is amended to read:

COMMITTEE AMENDMENT

1 G. A person who is a noncitizen legally admitted to the United States to the extent
2 that coverage is allowable by federal law if the person is:

- 3 (1) A woman during her pregnancy and up to 60 days following delivery; or
4 (2) A child under 21 years of age;

5 **Sec. A-3. 22 MRSA §3174-G, sub-§1, ¶¶H and I** are enacted to read:

6 H. Beginning July 1, 2014, a person 21 to 64 years of age who is not otherwise
7 eligible for medical assistance under this section, who qualifies for medical assistance
8 pursuant to 42 United States Code, Section 1396a(a)(10)(A)(i)(VIII) and whose
9 income is equal to or below 133% of the nonfarm income official poverty line plus
10 5% for the applicable family size as required by federal law. A person eligible for
11 medical assistance under this paragraph must receive the same coverage as is
12 provided to a person eligible under paragraph E; and

13 I. Beginning October 1, 2019, a person 19 or 20 years of age who is not otherwise
14 eligible for medical assistance under this section, who qualifies for medical assistance
15 pursuant to 42 United States Code, Section 1396a(a)(10)(A)(i)(VIII) and whose
16 income is equal to or below 133% of the nonfarm income official poverty line plus
17 5% for the applicable family size as required by federal law. A person eligible for
18 medical assistance under this paragraph must receive the same coverage as is
19 provided to a person eligible under paragraph E.

20 **Sec. A-4. Contingent repeal.** The Maine Revised Statutes, Title 22, section
21 3174-G, subsection 1, paragraphs H and I are repealed upon the earlier of the following:

22 1. The meeting of all of the following conditions:

23 A. The enhanced Federal Medical Assistance Percentage with respect to amounts
24 expended for medical assistance for newly eligible Medicaid individuals described in
25 42 United States Code, Section 1396a(a)(10)(A)(i)(VIII) is reduced below 100% for
26 any calendar quarter in 2014, 2015 or 2016;

27 B. The reduction in the enhanced Federal Medical Assistance Percentage described in
28 paragraph A has taken effect; and

29 C. After the reduction of the enhanced Federal Medical Assistance Percentage as
30 described in paragraphs A and B, the Legislature has convened and conducted a
31 session of at least 30 calendar days; and

32 2. December 31, 2016.

33 **PART B**

34 **Sec. B-1. Research organization evaluation.** The Office of Fiscal and
35 Program Review shall contract with a nonpartisan research organization, referred to in
36 this section as "the research organization," to study the impact of the MaineCare
37 expansion authorized in the Maine Revised Statutes, Title 22, section 3174-G, subsection
38 1, paragraphs H and I on programs and services under this Part that do not currently
39 receive Federal Medical Assistance Percentage matching funds or do not qualify for
40 enhanced Federal Medical Assistance Percentage matching funds under the federal

1 Patient Protection and Affordable Care Act, 42 United States Code, Section 18001, et
2 seq., with the goal of identifying and maximizing General Fund savings. The
3 Commissioner of Health and Human Services, the Commissioner of Corrections and the
4 Executive Director of the State Board of Corrections shall provide to the research
5 organization information and assistance requested for preparation of the evaluation. In
6 evaluating the programs and services under this Part, the research organization shall at a
7 minimum evaluate the impact on the following programs and services: the state-funded
8 Mental Health Services - Community, Office of Substance Abuse and General Assistance
9 - Reimbursement to Cities and Towns programs; the elderly low-cost drug program under
10 Title 22, section 254-D; services provided for individuals 21 to 64 years of age who are
11 currently eligible for MaineCare under the medically needy program; services provided
12 under the State's demonstration project waiver under Section 1115 of the United States
13 Social Security Act, 42 United States Code, Section 301, et seq., for individuals with
14 HIV/AIDS; services provided for parents participating in family reunification activities;
15 services provided for disabled individuals 21 to 64 years of age with incomes below
16 139% of the federal poverty level as defined by the federal Department of Health and
17 Human Services and updated annually in the Federal Register under authority of 42
18 United States Code, Section 9902(2); services provided to individuals awaiting a
19 MaineCare disability determination who are subsequently determined disabled; services
20 provided to individuals who would have been considered eligible on the basis of a
21 disability but for whom the full determination process was not completed; and medical
22 services provided to persons in the care and custody of the Department of Corrections or
23 a county correctional facility. The research organization also shall examine the amount
24 of payment for services that hospitals received during fiscal years 2014-15 and 2015-16
25 as a result of the expansion of MaineCare eligibility pursuant to Title 22, section 3174-G,
26 subsection 1, paragraphs H and I. In addition, the research organization shall evaluate
27 any savings and the impact on health outcomes achieved through initiatives implemented
28 pursuant to the state innovation models initiative grant.

29 The research organization shall report twice, no later than February 15, 2015 and
30 February 15, 2016, respectively, to the joint standing committee of the Legislature having
31 jurisdiction over appropriations and financial affairs, the joint standing committee of the
32 Legislature having jurisdiction over health and human services matters and the joint
33 standing committee of the Legislature having jurisdiction over criminal justice and public
34 safety matters on the amount of General Fund savings resulting from the MaineCare
35 expansion authorized in Title 22, section 3174-G, subsection 1, paragraphs H and I and
36 by the research organization pursuant to this section. The reports must include the
37 amount of savings expected and realized during fiscal years 2014-15 and 2015-16 by
38 service area or program, the amount deposited in the MaineCare Stabilization Fund
39 pursuant to section 3 of this Part and the amount of savings projected to be achieved
40 through fiscal year 2020-21 by service area or program.

41 **Sec. B-2. Health insurance marketplace report.** The Office of Fiscal and
42 Program Review shall contract with a nonpartisan research organization to examine the
43 financial feasibility of providing health care coverage to newly eligible MaineCare
44 members through a health insurance marketplace in a manner similar to that of Medicaid
45 expansion coverage in Arkansas or Iowa and the feasibility of establishing a state basic
46 health program similar to Washington's basic health plan. The Office of Fiscal and
47 Program Review shall report by February 15, 2015 to the joint standing committee of the

1 Legislature having jurisdiction over health and human services matters regarding the
 2 feasibility of providing health care coverage to newly eligible MaineCare members
 3 through a health insurance marketplace in a manner similar to that of Medicaid expansion
 4 coverage in Arkansas or Iowa and the feasibility of establishing a state basic health
 5 program similar to Washington's basic health plan.

6 **Sec. B-3. Calculation and transfer.** Notwithstanding any other provision of
 7 law, the State Budget Officer shall calculate the amount of savings identified in this Part
 8 that applies against each General Fund account statewide as a result of the expansion of
 9 MaineCare eligibility authorized in the Maine Revised Statutes, Title 22, section 3174-G,
 10 subsection 1, paragraphs H and I and shall transfer the amounts up to the amounts
 11 specified in section 5 of this Part by financial order upon the approval of the Governor.
 12 These transfers are considered adjustments to appropriations in fiscal year 2014-15. The
 13 State Controller shall transfer any amounts identified under this Part greater than the
 14 amounts specified in section 5 of this Part to the MaineCare Stabilization Fund
 15 established under Title 22, section 3174-KK. The State Budget Officer shall provide a
 16 report of the transferred amounts to the joint standing committee of the Legislature
 17 having jurisdiction over appropriations and financial affairs no later than April 30, 2015
 18 for fiscal year 2014-15 and shall submit adjustments to baseline budget requests totaling
 19 no less than \$11,800,000 per year to reflect the continuation of the identified savings in
 20 the 2016-2017 biennium.

21 **Sec. B-4. Review and responsibility.** Following receipt of the reports from the
 22 research organization as required under section 1 of this Part, the joint standing
 23 committee of the Legislature having jurisdiction over health and human services matters
 24 shall review the information provided in the reports and shall determine if the net cost to
 25 the General Fund of providing coverage under the MaineCare program to individuals
 26 pursuant to the Maine Revised Statutes, Title 22, section 3174-G, subsection 1,
 27 paragraphs H and I exceeds the savings to the General Fund, including any amount
 28 deposited in the MaineCare Stabilization Fund pursuant to section 3 of this Part, due to
 29 the expansion of coverage for those individuals. Following its review of the report
 30 received on February 15, 2016 pursuant to section 2 of this Part the joint standing
 31 committee may report out a bill to the Second Regular Session of the 127th Legislature
 32 regarding determinations and conclusions of the report.

33 **Sec. B-5. Appropriations and allocations.** The following appropriations and
 34 allocations are made.

35 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

36 **Executive Branch Departments and Independent Agencies - Statewide 0017**

37 Initiative: Deappropriates funds on a statewide basis for initial savings to be identified
 38 under this Part in existing state programs that result from the expansion of MaineCare
 39 eligibility.

40 GENERAL FUND	2013-14	2014-15
41 Unallocated	\$0	(\$5,900,000)
42		

1 GENERAL FUND TOTAL \$0 (\$5,900,000)

2 ADMINISTRATIVE AND FINANCIAL
3 SERVICES, DEPARTMENT OF
4 DEPARTMENT TOTALS

2013-14 2014-15

5
6 GENERAL FUND \$0 (\$5,900,000)

7
8 DEPARTMENT TOTAL - ALL FUNDS \$0 (\$5,900,000)

9 LEGISLATURE

10 Legislature 0081

11 Initiative: Provides one-time funding for the Office of Fiscal and Program Review to
12 contract with a nonpartisan research organization to evaluate the impact of the expansion
13 of MaineCare eligibility.

14 GENERAL FUND 2013-14 2014-15

15 All Other \$0 \$100,000

16
17 GENERAL FUND TOTAL \$0 \$100,000

18 LEGISLATURE
19 DEPARTMENT TOTALS

2013-14 2014-15

20
21 GENERAL FUND \$0 \$100,000

22
23 DEPARTMENT TOTAL - ALL FUNDS \$0 \$100,000

24 SECTION TOTALS 2013-14 2014-15

25
26 GENERAL FUND \$0 (\$5,800,000)

27
28 SECTION TOTAL - ALL FUNDS \$0 (\$5,800,000)

29 PART C

30 Sec. C-1. Appropriations and allocations. The following appropriations and
31 allocations are made.

32 HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

1 **Medical Care - Payments to Providers 0147**

2 Initiative: Provides funds for the costs of MaineCare coverage through December 31,
 3 2016, for childless adults at or below 133% of the nonfarm income official poverty line
 4 plus 5% for the applicable family size as required by federal law.

5	FEDERAL EXPENDITURES FUND	2013-14	2014-15
6	All Other	\$0	\$327,657,166
7			
8	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$327,657,166</u>

9 **Office of Family Independence - District 0453**

10 Initiative: Provides funding for 6 Family Independence Unit Supervisor positions, 13
 11 Office Assistant II positions and 64 Eligibility Specialist positions in the Office of Family
 12 Independence - District program and for related All Other costs necessary to implement
 13 and administer the MaineCare eligibility changes. This assumes the Eligibility Specialist
 14 positions are funded 25% General Fund and 75% Other Special Revenue Funds and the
 15 other positions are funded 50% General Fund and 50% Other Special Revenue Funds.

16	GENERAL FUND	2013-14	2014-15
17	POSITIONS - LEGISLATIVE COUNT	0.000	83.000
18	Personal Services	\$0	\$1,909,557
19	All Other	\$0	\$95,105
20			
21	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$2,004,662</u>

22	OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
23	Personal Services	\$0	\$4,325,301
24	All Other	\$0	\$381,651
25			
26	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$4,706,952</u>

27 **Office of MaineCare Services 0129**

28 Initiative: Provides funding for the one-time costs of changes to the Maine Integrated
 29 Health Management Solution and the Automated Client Eligibility System as a result of
 30 expanding MaineCare eligibility.

31	GENERAL FUND	2013-14	2014-15
32	All Other	\$0	\$110,539
33			
34	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$110,539</u>

1	FEDERAL EXPENDITURES FUND	2013-14	2014-15
2	All Other	\$0	\$994,852
3			
4	FEDERAL EXPENDITURES FUND TOTAL	\$0	\$994,852
5	HEALTH AND HUMAN SERVICES,		
6	DEPARTMENT OF (FORMERLY DHS)		
7	DEPARTMENT TOTALS	2013-14	2014-15
8			
9	GENERAL FUND	\$0	\$2,115,201
10	FEDERAL EXPENDITURES FUND	\$0	\$328,652,018
11	OTHER SPECIAL REVENUE FUNDS	\$0	\$4,706,952
12			
13	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$335,474,171

14 **PART D**

15 **Sec. D-1. Written notices required regarding MaineCare coverage.** At the
 16 time of enrolling in the MaineCare program a member who is eligible under the Maine
 17 Revised Statutes, Title 22, section 3174-G, subsection 1, paragraph H or I, the
 18 Department of Health and Human Services shall provide written notice that is readable at
 19 the 6th-grade reading level to the member that the member's MaineCare coverage will
 20 end no later than December 31, 2016 unless a law is passed to extend coverage past that
 21 date.'

22 **SUMMARY**

23 This amendment replaces the concept draft. The amendment contains the following
 24 provisions.

25 Part A expands medical coverage under the MaineCare program to adults who
 26 qualify under federal law with incomes up to 133% of the nonfarm income official
 27 poverty line, with the 5% federal income adjustment for family size, and qualifies Maine
 28 to receive federal funding for 100% of the cost of coverage for members who enroll
 29 under the expansion. Adults eligible are those 21 to 64 years of age, effective July 1,
 30 2014, and, if the expansion of MaineCare coverage is not repealed, adults 19 and 20 years
 31 of age, beginning October 1, 2019. The expansion of Medicaid eligibility contained in
 32 this Part is repealed the earlier of either December 31, 2016 or 3 circumstances occurring:
 33 the enhanced Federal Medical Assistance Percentage for calendar years 2014 to 2016 is
 34 reduced below certain stated levels; the reduced enhanced Federal Medical Assistance
 35 Percentage has taken effect; and after the occurrence of the reduction of the enhanced
 36 Federal Medical Assistance Percentage the Legislature has convened and conducted a
 37 session of at least 30 calendar days.

38 Part B requires the Office of Fiscal and Program Review to contract with a
 39 nonpartisan research organization to evaluate the financial feasibility of providing health

1 care coverage to newly eligible MaineCare members through the health insurance
2 marketplace, modeled after Medicaid expansion coverage in Arkansas or Iowa, and the
3 feasibility of establishing a state basic health program similar to Washington's basic
4 health plan and to report the findings of the evaluation to the joint standing committee of
5 the Legislature having jurisdiction over health and human services matters by February
6 15, 2015. It directs the Office of Fiscal and Program Review to contract for an
7 examination of the impact of the MaineCare expansion on programs and services that do
8 not currently receive Federal Medical Assistance Percentage matching funds or do not
9 qualify for enhanced Federal Medical Assistance Percentage matching funds under the
10 federal Patient Protection and Affordable Care Act, 42 United States Code, Section 18001
11 et seq., with the goal of identifying and maximizing General Fund savings. It requires that
12 the research organization report by February 15, 2015 and February 15, 2016 to the joint
13 standing committee of the Legislature having jurisdiction over appropriations and
14 financial affairs, the joint standing committee of the Legislature having jurisdiction over
15 health and human services matters and the joint standing committee of the Legislature
16 having jurisdiction over criminal justice and public safety matters on the amount of
17 General Fund savings resulting from the MaineCare expansion. The reports must include
18 the amount of savings expected and realized during fiscal years 2014-15 and 2015-16 by
19 service area or program. It requires the State Budget Officer to calculate the amount of
20 savings that applies against each General Fund account for all departments and agencies
21 from savings associated with the MaineCare expansion and to transfer the amounts by
22 financial order upon the approval of the Governor. It requires the State Controller to
23 transfer any remaining savings to the MaineCare Stabilization Fund. It requires the State
24 Budget Officer to provide a report of the transferred amounts to the joint standing
25 committee of the Legislature having jurisdiction over appropriations and financial affairs
26 no later than April 30, 2015 for fiscal year 2014-15 and to submit adjustments to baseline
27 budget requests totaling no less than \$11,800,000 per year to reflect the continuation of
28 the identified savings in the 2016-2017 biennium.

29 Part C provides funding for positions in the Department of Health and Human
30 Services, Office of Family Independence - District program.

31 Part D requires the department, when enrolling a MaineCare member who is eligible
32 under the Maine Revised Statutes, Title 22, section 3174-G, subsection 1, paragraph H or
33 I, to provide written notice that is readable at the 6th-grade reading level to the member
34 that the member's MaineCare coverage will end no later than December 31, 2016 unless a
35 law is passed to extend coverage past that date.