

## OFPR Expenditure Review through 1st Quarter SFY 2022

### MaineCare Expenditure Detail through 1st Quarter of SFY 2022

MaineCare Expenditure Table 1 uses expenditure data from the State’s financial warehouse (MFASIS) through 3 months of FY 2022 to compare MaineCare expenditures by expenditure category for the last three fiscal years. MaineCare “All Funds” spending through 3 months of FY 2022 increased by \$27.3 million from FY 2021 to FY 2022. As detailed in MaineCare Table 1, FY 2022 spending through 3 months increased in the residential care, dentistry, Medicare A, B, D premiums, laboratory, behavioral health and clinic services expenditure categories; and decreased in the pharmacy and related, other professionals and rehabilitation services expenditure categories. These increases were expected due to two items: 1) Medicaid expansion expenses increased by just over \$5 million, 2) Rate increases and program changes to multiple services during the 130th legislature effective July 1, 2021. See Exhibit A and B for a detailed breakdown of the Medicaid Expansion expenditures.

FY 2022 MaineCare “All Funds” spending through 3 months increased by 2.5% over last year’s spending. MaineCare Expenditure Table 1 also shows that aggregate General Fund expenditures through 3 months of FY 2022 increased by 10.3% compared to FY 2021. At first glance this increase seems odd as the General Fund increase is higher than the all funds increase. However, manual journal entries, accounting adjustments and bad debt expense in the first quarter of SFY 2022 decreased the all funds total by \$6.5 million, but the General Fund impact of these same entries was an increase of \$14.8 million. Thus, the increase in expenditures between SFY 2021 and SFY 2022 was \$27 million all funds and \$29 million General Fund. If the spending is reviewed excluding these journal entries, the differences for SFY 2022 compared to SFY 2021 would be \$33.8 million increase in all funds and a \$14.9 million increase to the General Fund. See Exhibit D for more detail. Including this explanation, the current General Fund spending is in-line with the legislatively approved amount for FY 2022.

Exhibit C, at the end of this document, outlines all Medicaid Expansion spending since inception.

**MaineCare Expenditure Table 1.**

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

*All Funds - Through 3 Months*

Expenditure Categories	FY 2020	FY 2021	FY 2022	Chgs. FY 2021 to FY 2022	
	3 Months	3 Months	3 Months	\$	%
1 Hospital Services	\$157,567,099	\$187,337,091	\$190,075,821	\$2,738,730	1.5%
2 Residential Care	\$169,349,181	\$195,688,407	\$237,377,401	\$41,688,993	21.3%
3 HCBS Waivers	\$136,140,290	\$158,245,774	\$147,100,266	(\$11,145,508)	-7.0%
4 Pharmacy and Related	\$43,153,505	\$53,192,571	\$43,568,450	(\$9,624,121)	-18.1%
5 Devices and Supplies	\$7,225,867	\$8,501,257	\$8,723,709	\$222,452	2.6%
6 Medical Professionals	\$40,247,709	\$49,956,278	\$46,823,939	(\$3,132,339)	-6.3%
7 Other Professionals	\$1,665,105	\$11,561,550	\$2,316,673	(\$9,244,877)	-80.0%
8 Dentistry	\$5,704,413	\$4,729,476	\$5,401,344	\$671,868	14.2%
9 Medicare Deductible and Co-insurance	\$22,229,115	\$21,897,626	\$22,329,384	\$431,758	2.0%
10 Medicare A, B, D Premiums	\$49,253,599	\$46,926,808	\$53,745,431	\$6,818,622	14.5%
11 Laboratory	\$2,887,422	\$2,921,192	\$3,992,751	\$1,071,559	36.7%
12 Health Homes	\$18,335,259	\$21,042,780	\$21,885,576	\$842,796	4.0%
13 Behavioral Health Services	\$45,848,177	\$52,139,798	\$59,064,263	\$6,924,464	13.3%
14 Clinic Services	\$15,982,645	\$16,953,120	\$19,222,996	\$2,269,876	13.4%
15 Home Health	\$2,780,495	\$3,496,072	\$3,407,967	(\$88,105)	-2.5%
16 Rehabilitation Services	\$18,920,515	\$20,801,295	\$14,023,164	(\$6,778,132)	-32.6%
17 Case Management	\$9,476,493	\$9,789,982	\$9,476,666	(\$313,316)	-3.2%
18 School-Based Services	\$12,993,985	\$13,190,524	\$12,869,539	(\$320,985)	-2.4%
19 Transportation Services	\$13,967,047	\$16,054,074	\$16,646,293	\$592,219	3.7%
20 Other Expenditure Codes	\$11,737,365	\$8,308,605	\$7,119,371	(\$1,189,234)	-14.3%
21 Accounting Adjustments	(\$53,594)	(\$8,228,387)	(\$335,508)	\$7,892,879	-95.9%
22 Other Adjustments	(\$4,513,630)	(\$6,430,208)	(\$9,403,920)	(\$2,973,712)	46.2%
All Funds Total	\$780,898,061	\$888,075,686	\$915,431,575	\$27,355,889	3.1%
Minus Accounting and Other Adjustments <sup>1</sup>	\$4,567,224	\$14,658,595	\$9,739,428	(\$4,919,167)	-33.6%
All Funds Adjusted Total	\$785,465,285	\$902,734,281	\$925,171,003	\$22,436,722	2.5%
General Fund Totals	\$285,392,066	\$210,648,962	\$240,279,697	\$29,630,735	14.1%
Minus Accounting and Other Adjustments <sup>1</sup>	\$1,654,448	\$10,157,445	\$3,167,029	(\$6,990,416)	-68.8%
General Fund Adjusted Totals	\$287,046,514	\$220,806,407	\$243,446,726	\$22,640,319	10.3%

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

# OFPR Expenditure Review through 1st Quarter SFY 2022

## Exhibit A

### Medicaid Expansion Impact - By Funds

Through the 1st Quarter of SFY 2022

Expenditure Categories	SFY 2021	SFY 2022	Difference
1 Hospital Services	\$ 90,451,931	\$ 65,186,177	\$ (25,265,754)
2 Residential Care	\$ 2,917,894	\$ 3,046,434	\$ 128,540
3 HCBS Waivers	\$ 1,285,925	\$ (117,970)	\$ (1,403,895)
4 Pharmacy and Related	\$ 19,367,405	\$ 17,314,493	\$ (2,052,912)
5 Devices and Supplies	\$ 1,461,034	\$ 1,762,694	\$ 301,660
6 Medical Professionals	\$ 12,751,356	\$ 13,792,829	\$ 1,041,473
7 Other Professionals	\$ 434,823	\$ 617,335	\$ 182,512
8 Dentistry	\$ 593,643	\$ 646,027	\$ 52,383
9 Medicare Deductible and Co-insurance	\$ 54,866	\$ 131,436	\$ 76,569
11 Laboratory	\$ 1,224,315	\$ 1,770,606	\$ 546,291
12 Health Homes	\$ 2,990,695	\$ 3,865,714	\$ 875,019
13 Behavioral Health Services	\$ 6,922,319	\$ 8,905,901	\$ 1,983,582
14 Clinic Services	\$ 5,062,527	\$ 6,121,234	\$ 1,058,707
15 Home Health	\$ 468,979	\$ 476,213	\$ 7,234
16 Rehabilitation Services	\$ 382,069	\$ 365,466	\$ (16,603)
17 Case Management	\$ 393,040	\$ 400,531	\$ 7,491
18 School Based Services	\$ 1,972	\$ 8,425	\$ 6,453
19 Transportation Services	\$ 4,382,614	\$ 5,374,263	\$ 991,649
20 Other Expenditure Codes	\$ 4,843	\$ 3,317	\$ (1,527)
<b>Medicaid Expansion Total</b>	<b>\$ 151,152,250</b>	<b>\$ 129,671,124</b>	<b>\$ (21,481,126)</b>

One-time journal entry to move a portion of the Prospective Interim Payments (PIPs) for the Critical Access Hospitals (CAHs) to Medicaid Expansion. This had a net zero impact on overall expenditures, but increased the difference for Medicaid Expansion between SFY 2020 and SFY 2021. This one-time entry is reversed out to show the actual expenditure increase between SFY 2021 and SFY 2022

\$ 26,660,435.05

**Medicaid Expansion Difference minus one-time PIP journal** **\$ 5,179,309**

## Exhibit B

### Medicaid Expansion Impact - By Funds

Through the 1st Quarter of SFY 2022

Expenditure Categories	SFY 2021	SFY 2022	Difference
1 Hospital Services	\$ 10,554,620	\$ 7,462,675	\$ (3,091,945)
2 Residential Care	\$ 303,298	\$ 313,162	\$ 9,865
3 HCBS Waivers	\$ 1,285,925	\$ (118,117)	\$ (1,404,043)
4 Pharmacy and Related	\$ 3,645,815	\$ 4,957,960	\$ 1,312,145
5 Devices and Supplies	\$ 200,135	\$ 274,063	\$ 73,928
6 Medical Professionals	\$ 1,533,293	\$ 1,725,343	\$ 192,050
7 Other Professionals	\$ 55,093	\$ 76,588	\$ 21,496
8 Dentistry	\$ 73,330	\$ 87,210	\$ 13,879
9 Medicare Deductible and Co-insurance	\$ 6,918	\$ 16,076	\$ 9,158
11 Laboratory	\$ 147,534	\$ 220,447	\$ 72,913
12 Health Homes	\$ 351,602	\$ 480,082	\$ 128,481
13 Behavioral Health Services	\$ 801,901	\$ 1,051,803	\$ 249,902
14 Clinic Services	\$ 604,783	\$ 749,385	\$ 144,603
15 Home Health	\$ 49,955	\$ 52,683	\$ 2,728
16 Rehabilitation Services	\$ 43,755	\$ 45,625	\$ 1,870
17 Case Management	\$ 41,040	\$ 46,338	\$ 5,298
18 School Based Services	\$ 197	\$ 842	\$ 645
19 Transportation Services	\$ 557,163	\$ 706,840	\$ 149,677
20 Other Expenditure Codes	\$ 484	\$ 332	\$ (153)
<b>Medicaid Expansion Total</b>	<b>\$ 20,256,842</b>	<b>\$ 18,149,338</b>	<b>\$ (2,107,504)</b>

One-time journal entry to move a portion of the Prospective Interim Payments (PIPs) for the Critical Access Hospitals (CAHs) to Medicaid Expansion. This had a net zero impact on overall expenditures, but increased the difference for Medicaid Expansion between SFY 2020 and SFY 2021. This one-time entry is reversed out to show the actual expenditure increase between SFY 2021 and SFY 2022

\$ 5,621,326.50

**Medicaid Expansion Difference minus one-time PIP journal** **\$ 3,513,823**

## OFPR Expenditure Review through 1st Quarter SFY 2022

### Exhibit C

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

#### Medicaid Expansion Impact - by SFY

Through 09/30/21

Expenditure Categories	SFY 2019	SFY 2020	SFY 2021	SFY 2022	Total
1 Hospital Services	\$ 27,510,310	\$ 128,494,255	\$ 301,874,446	\$ 65,186,177	\$ 523,065,188
2 Residential Care	\$ 1,280,714	\$ 8,246,273	\$ 12,545,459	\$ 3,046,434	\$ 25,118,880
3 HCBS Waivers	\$ 6,563	\$ 1,936,493	\$ 2,814,067	\$ (117,970)	\$ 4,639,154
4 Pharmacy and Related	\$ 8,512,542	\$ 66,352,673	\$ 73,464,254	\$ 17,314,493	\$ 165,643,962
5 Devices and Supplies	\$ 508,123	\$ 3,921,730	\$ 6,306,138	\$ 1,762,694	\$ 12,498,684
6 Medical Professionals	\$ 5,673,060	\$ 31,143,933	\$ 51,260,222	\$ 13,792,829	\$ 101,870,044
7 Other Professionals	\$ 242,429	\$ 1,365,098	\$ 2,185,868	\$ 617,335	\$ 4,410,730
8 Dentistry	\$ 340,460	\$ 1,590,054	\$ 2,845,823	\$ 646,027	\$ 5,422,364
9 Medicare Deductible and Co-insurance	\$ 28,721	\$ 157,816	\$ 361,133	\$ 131,436	\$ 679,106
11 Laboratory	\$ 1,131,354	\$ 4,352,925	\$ 6,811,194	\$ 1,770,606	\$ 14,066,078
12 Health Homes	\$ 8,642	\$ 6,551,474	\$ 13,745,744	\$ 3,865,714	\$ 24,171,574
13 Behavioral Health Services	\$ 3,119,624	\$ 19,317,004	\$ 28,217,415	\$ 8,905,901	\$ 59,559,944
14 Clinic Services	\$ 4,250,471	\$ 15,747,370	\$ 23,433,776	\$ 6,121,234	\$ 49,552,852
15 Home Health	\$ 257,244	\$ 1,259,255	\$ 1,840,724	\$ 476,213	\$ 3,833,437
16 Rehabilitation Services	\$ 63,255	\$ 555,686	\$ 1,431,756	\$ 365,466	\$ 2,416,162
17 Case Management	\$ 211,703	\$ 1,160,948	\$ 1,532,926	\$ 400,531	\$ 3,306,109
18 School Based Services	\$ 5,034	\$ 47,675	\$ 51,569	\$ 8,425	\$ 112,704
19 Transportation Services	\$ 1,086,670	\$ 15,129,185	\$ 19,413,839	\$ 5,374,263	\$ 41,003,957
20 Other Expenditure Codes	\$ 1,535	\$ 12,632	\$ 16,949	\$ 3,317	\$ 34,432
<b>Medicaid Expansion Total</b>	<b>\$ 54,238,452</b>	<b>\$ 307,342,480</b>	<b>\$ 550,153,302</b>	<b>\$ 129,671,124</b>	<b>\$ 1,041,405,359</b>

### Exhibit D

#### Manual Journal Impacts to Expenditure Increases in the 1st Quarter SFY 2022

	All Funds	General Fund
Difference between SFY 2021 and 2022 - through the 1st Quarter	\$27,355,889.04	\$29,630,734.55
Difference in the total manual journal entries completed in MaineCare accounts (and included in the expenditure categories 1-19) between SFY 2021 and 2022, through the first quarter.	(\$11,448,142.40)	\$7,752,253.05
Difference in the Accounting adjustments and the Other Adjustments expenditure	\$4,919,166.98	\$6,990,415.62
Difference between SFY 2021 and 2022 - removing Manual entries	<b>\$33,884,864.46</b>	<b>\$14,888,065.88</b>