

Janet T. Mills  
Governor

Jeanne M. Lambrew, Ph.D.  
Commissioner



Maine Department of Health and Human Services  
Commissioner's Office  
11 State House Station  
109 Capitol Street  
Augusta, Maine 04333-0011  
Tel: (207) 287-3707; Fax: (207) 287-3005  
TTY: Dial 711 (Maine Relay)

## MEMORANDUM

**TO:** Joint Standing Committee on Health and Human Services  
**FROM:** Maine Department of Health and Human Services  
**DATE:** March 10, 2022  
**RE:** Responses to Questions re: Supplemental Budget Initiatives

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### **Lines 1-3 (Adult BH Federal Block Grant Funds)**

*What programs do these fund? Could we have a list of grants? (Rep. Javner)*

The federal funding for these lines are from the Substance Abuse and Mental Health Services (SAMHSA) Community Mental Health Block Grant (MHBG). There have been additional federal appropriations to this grant that have exceeded allotment in this account. The Community Mental Health Block Grant is shared between OCFS and OBH. The adult portion of this grant typically funds early intervention services for serious mental illness (a required set aside) known as Coordinated Specialty Care (CSC), including training and technical assistance to providers to develop these services; Peer Run Recovery Centers; non-emergency transportation related to recovery goals; peer recovery training; expanded capacity to the Maine Crisis Line (new required crisis set aside). Through federal CRRSA and APRA appropriations additional funds were added to the MHBG for investments related to MHBG allowable activities, which in Maine we have committed to increasing and expanding crisis services and CSC and also COVID mitigation activities for mental health service providers.

### **Line 8 (Psychiatric hospitals)**

*Any sense of how long need for travel nurses at will last? (Rep. Javner)*

Travel nurses are needed to fill staffing gaps in state line vacancies. Travel nurses are relied on more heavily today given increased vacancies and the workforce shortage. Demand for these travel nurses will vary and it is unclear how long increased rates and/or increased reliance on contracted staffing will be needed. This initiative funds six contracted clinicians for part of FY22 and FY23.

### **Line 18 (Adult BH COLA for state-funded services)**

*Specifically, what state funded services are included? (Rep. Madigan)*

This initiative funds services that the Office of Behavioral Health provides to uninsured individuals via contracts. The services include Section 17 services (Assertive Community Treatment, Daily Living Support Services, Community Integration, Community Rehabilitation Services) and Section 65 (Clubhouse, Mobile Crisis and Crisis Residential). Note: Section 65 Medication Management is a separate budget initiative that aligns with the 25% rate increase as provided for in the biennial budget.

**Lines 19-21 (Child Care Development Fund)**

*Request breakdown of funds and how spent (Rep. Lemelin)*

Line 19. This line item provides allocation for federal funds received for the Child Care Development Fund through the American Rescue Plan (ARP), including child care stabilization grants (\$18.3 million), child care subsidy program (CCSP) parent fee portion (\$12.2 million) and CCSP reimbursement based on enrollment (\$5.3 million) and other activities. Additional details are provided in the Child Care Plan for Maine: September 2021 Updates.

Line 20/21. The Mental Health Block Grant (MHBG) supports adults and children services. Children services include family and youth peer support, behavioral health system consumer survey, and evidence-based training/capacity building for behavioral health providers. Through the American Rescue Plan, additional funds were added to the MHBG for investments related to MHBG allowable activities, which have been committed to increasing and expanding crisis services and coordinated specialty care (CSC), children’s high fidelity wrap around services, and funds specifically appropriated for COVID mitigation activities for mental health service providers.

**Lines 22 and 23 (Children’s Mental Health Services)**

*Why are there different dates in Line 22 and 23? (Sen. Moore)*

These are two different grants with different end dates. Line #22 is the Children’s Behavioral Health System of Care grant with a grant period ending 8/30/24 and Line #23 is the Child Care Development Fund ARP grant which ends 9/30/23.

**Line 25 (Child Care Development Fund)**

*What is the baseline funding for these services? (Rep. Lemelin)*

Child care development fund (CCDF) annually receives \$35 million. The funding is used primarily to cover child care subsidy vouchers but also supports staffing for child care licensing services, training and technical assistance, and program personnel costs.

**Line 26 (Homeless Youth Program)**

*How much was budgeted in past for these services? (Sen. Moore)*

Prior to the most recent RFP, Homeless Youth Services contracts were funded at \$4 million.

*Exactly what services are being funded? (Rep. Stover)*

The Department currently supports housing and responds to the needs of youth experiencing homelessness through four (4) services:

- Street and Community Outreach Program Services
- Drop-in Program
- Shelter for Homeless Youth Services; and
- Transitional Living Program (TLP) (including the Transitional Living Voucher Program).

**Line 28-29 (Title IV-E Foster Care/Adoption Assistance)**

*What are child welfare cycle payments? Why the increase? (Rep. Perry)*

During the time a child is in state custody, the state is acting as the child’s legal guardian and is responsible for food, shelter and ongoing care of the child. Many children also have significant medical and mental health needs, so the cost is often significantly higher to care for these children. Cycle payments are reoccurring payments that cover these expenses. Since 2018 the Department has seen an increase in the number of children in care and has also seen the level of care needed to support these children increase. The combination of these factors has caused the shortfall projected in the child welfare accounts.

*How many licensed foster home and beds do we have, including kinship care? (Sen. Moore)*

There are currently 1,675 resource homes (resource homes include kinship care and non-relative resource/foster homes). The number of beds fluctuate based on situation of families and needs of children placed there.

*What is rate for foster care payments? (Rep. Javner)*

The foster care reimbursement rates are:

Level of Care	Daily Board rate	Level of Care Details
Unlicensed	\$ 18.50	
A	\$ 25.00	A - "Children with minimal needs" may have occasional episodes of behavioral and/or emotional problems which do not significantly impair the child's interpersonal relationships and ability to function at home or at school.
B	\$ 35.00	B- "Children with mild needs" may display the following: minor developmental delays, episodic problems relating with others, infrequent concerns/problems regarding performance in school, limited or short-term mental health treatment needs and stable/routine medical needs.
C	\$ 45.00	C- "Children with moderate needs" may display the following: moderate developmental delays, ongoing problems with interpersonal relationships including a history of self-abusive behaviors, and minor episodes of aggression toward others.
D	\$ 60.00	D- (Treatment Care) "Children with high needs" may display the following: significant developmental delays, impulsivity requiring external control, ongoing conflict with others, unresponsiveness to social prompts, need for special education services to address performance and/or behavior issues, slow or no progress in mental health treatment, and may require in-home supports for medical conditions.
E	\$ 75.00	D- (Exceptional Medical Care) This level is for medically fragile children in Basic of Treatment Care with a high level of medical

		need that does or could lead to care in an "intermediate care nursing facility"
Medical	\$ 70.00	E- This level is for children who have severe needs that require a higher than LOC D - Treatment Care level of services in a Specialized Foster Home. "Children with severe needs" may display the following: severe developmental delays, a risk to self or others including deliberate aggression toward others, inability to maintain control in spite of close supervision, chronic/serious medical condition, and poor/no response to mental health treatment.

**Line 39 (OCFS Secretary Associate Legal positions)**

*Where will the positions be located? In the districts they serve? (Sen. Moore)*

The Secretary Associate positions will support the administrative needs of the district office by performing complex clerical responsibilities that involve completing and submitting court documents for child welfare. The eight positions will be assigned to child welfare district offices.

**Lines 45-47 (Section 21 Waiver Program Slots)**

*Can we have waitlist #s? (Sen. Claxton)*

Quarterly updates to the wait lists for MaineCare waiver services are available [on the Department's OADS website](#).

**Lines 53-57 (Funding for Services Performed by the Office of the Attorney General)**

*What is causing increase in OAG work? (Rep. Javner)*

The increase in OAG work stems from various sources over time across the three OAG divisions supporting DHHS (child welfare, child support, and health and human services). The increase in work includes the increase in the number of children in care, mental health court hearings, consent decree compliance matters, settlements and appeals, among other activities. Note that this initiative increases funding for DHHS to continue to support existing work.

**Line 58 (Funding for technology and services provided by DAFS/OIT)**

*What are network fees? (Rep. Javner)*

As background, Maine IT bills Departments to cover the costs of their services. Network fees are one component of the billing and the methodology changed resulting in higher costs for DHHS. Network fees are the fee to connect computers together via ethernet lines, wireless devices, switches, modems, etc., and maintaining that equipment. DHHS is paying for the connection, the equipment to handle the traffic, and the maintenance of that equipment.

**Line 64 (Risk Management Insurance Costs)**

*What is current baseline? What is percent increase? (Sen. Moore)*

In FY21, DHHS expenditures were \$857,531 for Risk Management. Based on current headcount and the rates provided by the Risk Management Division of DAFS, expenditures are projected to be \$1,160,852 in FY22 and slightly higher in FY23. This represents a 35.37% increase.

**Line 66 (Senior Legal Advisor to DHHS)**

*Why is a legal advisor needed in dept? (Sen. Moore)*

As the largest Department in state government, the DHHS Commissioner requires a diverse and broad array of decisions, many of which are grounded in federal and state laws and regulations. A legal advisor would allow for operational efficiencies and provide legal advice and guidance regarding recommended administrative hearing decisions, contract reviews, and identifying departmental authority regarding initiatives to improve strategic planning and delivery of services. This position would collaborate closely with the Office of the Attorney General.

**Line 73 (Chief Operations Officer for the Division of Licensing and Certification)**

*What would COO do? (Rep. Perry)*

The DLC COO would be a key part of the DLC leadership team and would support day-to-day logistics, ensuring best practices with financial management and workload analysis. The position will manage revisions of rules, manage provider appeals of Department citations, conduct hearing preparation, and issues arising from the Maine Background Check Center, among other responsibilities. The position is critical for the division's mission and essential to ensuring the health and safety of Maine residents by enabling the Division to update regulatory requirements to be consistent with current standards of practice for health, safety and changes reflective of national standards for infection control and emergency planning.

**Line 74 (Maine Background Check Program)**

*What is the status of the Background Check Program?*

The goal of the MBCC is the protection and well-being of citizens receiving services in long-term care, residential care, and home or community-based settings throughout Maine. Use of the Maine Background Check Program is mandatory for the following providers: Hospice Providers; Home Health Care Providers; Nursing Facilities; Personal Care Agencies and Placement Agencies; Temporary Nurse Agencies; Adult Day Care Programs; Assisted Housing Programs; Residential Care Facilities; Intermediate Care Facilities for individuals with intellectual disabilities Mental Health Services facilities or providers; and Drug treatment centers.

In 2021, the Maine Background Check Program conducted 2,181 background checks per month. Note that this initiative is required due to insufficient allotment which usually requires annual financial orders to cover program costs. The program has sufficient revenue to cover the increase in allotment.

**Line 75 (Vaccine Disparities Grant)**

*What are the vaccine disparities grants? (Rep. Javner)*

The Office of Aging and Disability Services, alongside other DHHS offices, is working with Maine CDC on two federal grant programs relating to COVID-19 immunization outreach and addressing health disparities in rural Maine and for people of color. Through these grants, OADS is contracting with community partners to target key population groups and offer additional vaccine education and in-home vaccination opportunities. Note that this position also coordinates the ongoing work for ARP Section 9817 Home and Community Based Services workforce and system improvements.

**Line 92 (MaineCare Stabilization Fund)**

*What is balance in the MaineCare stabilization fund? (Sen. Moore)*

\$54.5 million

**Line 97 (Office of MaineCare Services positions)**

*When do contracts expire?*

This contract expires June 30, 2022.

**Line 145 (Biennial Budget part AAAA funding)**

*More info on change in rate setting for admin component for waiver services. (Rep. Perry)*

In 2016, the rate study vendor (Burns) collected updated provider data for a rate study for Section 21. In 2020, DHHS updated some of those inputs based on more recent data, including an increase to the admin rate from 10% to 15% (consistent with findings from other recent rate studies for HCBS services). This updated approach was used for the rate increase for July 1, 2021 and was originally developed in the summer of 2020. The admin cost component increased in the new rate study from the older 2007 rate study. Other rate components, such as program costs, decreased in the newer rate study. The changes in the amounts of the different cost components reflected updated provider data collected in 2015, along with the 2020 updates of the referenced admin rate change plus updated wage inputs, and updated hours based on 2020 claims. A review of comments from the more recent 2016 rate study did not indicate any issues with reported program costs at that time, or any concerns other than the number of assumed hours of service. The Department addressed this concern with the hours by updating the rate model with actual hours of service.

The bottom line is that the rate code with by far the most utilization (“agency home supports”) increased from \$27.72 as of 6/30/21 to \$29.28 on 7/1/21 (a 5.6% increase) and is slated to increase to \$32.13 as of 1/1/22 with the FY22 Supplemental Budget (a 15.9% increase since 6/30/21). A total of \$43.79 million (\$12.37 general fund) is scheduled to go to Section 21 providers in FY22 and another \$71.35 million (\$22.24 general fund) in FY23 for ongoing rate increases.

*What are rate components? (Rep. Zager)*

Rates are based on an analysis of provider costs and cost drivers, most commonly built using a “rate model” that basically determines a reasonable budget for providing a service based on the most common/prevalent categories of costs for that service. Often times, spending on one category has a relationship with spending in another category. For example, spending on administrative overhead may commonly vary in proportion to spending on direct care staff wages and benefits. “rate/cost components” is a way to refer to these different categories of costs (e.g. wage amount, staff to member ratio, program costs, etc) for which inputs are entered into the rate model and divided by unit of payment to determine resulting rate amount.

*Request list of services getting 125% increase and those getting COLA (Sen. Moore)*

A complete overview was separately provided to the committee by OFPR. Additionally, here is the [link](#) to the February 17 presentation on Part AAAA and COLA to the AFA and HHS committees. See also the chart in Appendix B.

*Request history of ACT and TCM rate increases (Reps. Madigan and Zager)*  
 The last increase for these services was enacted through PL 2018, Ch. 460

	Prior to PL 2018, Ch. 460	Current
Targeted Case Management	\$21.52/15 min	\$21.95/15 min
Assertive Community Treatment (Adult)	\$59.00/report	\$60.25/report
Assertive Community Treatment (Youth)	\$104.13/report	\$106.21/report

*Follow up – are any TCM/Sec. 13 not receiving at least 125% minimum wage?*

Section 13, Targeted Case Management is not included under Part AAAA and thus not subject to the 125% provision. Based on current rate amounts and provider cost data the Department has, labor components of the TCM rates support wages above 125%.

**Line 192 (COVID-19 supplemental payment to family planning agencies)**

*Who are Family planning agencies? (Sen. Moore)*

Family planning agencies who provide MaineCare covered services are Maine Family Planning and Planned Parenthood of Northern New England

**Lines 194 – 195 (Psychiatric Discharge Rate study and implementation)**

*How many psych beds are open? (Rep. Zager)*

There are 565 licensed inpatient psychiatric beds in the State. In terms of potential reasons for unfilled beds, a significant portion of the licensed beds are in double occupancy rooms and it’s not always safe/appropriate to put 2 to a room so those beds can sometimes go unfilled.

For residential psych beds (PNMI E), there are 771 beds in the state; 27 beds are currently temporarily closed/offline due to staffing challenges; 34 beds are currently open/unfilled, 16 of those are due to facilities just opening and being in the process of filling beds, other open beds are awaiting arrival of referrals who are discharging from inpatient or incarceration settings. For additional context, we have added 24 new PNMI E beds during the current state fiscal year and have four providers in the process of adding new facilities.

**Lines 248 (OPTIONS Program)**

*Request more info on OPTIONS (Rep. Javner)*

The Overdose Prevention Through Intensive Outreach Naloxone and Safety (OPTIONS) initiative is a coordinated effort of the Maine Office of Behavioral Health (OBH) and other state agencies to improve the health of Mainers using substances through harm reduction strategies, helping them on the road to recovery, and dramatically reducing the number of fatal and non-fatal drug overdoses.

Director Pollard presented information to the Health and Human Services Committee on January 13, 2022. [The powerpoint presentation](#) provides details and outcomes information, and additional information is available at [KnowYourOptions.me](http://KnowYourOptions.me).

### **Additional Questions**

*What is state of IDD crisis beds? (Rep. Stover)*

As of 3/9/22, we have 8 state operated crisis beds, 7 of which are filled. We also have 8 Emergency Transitional Housing (ETH) Beds, which are similar but contracted out rather than state operated. 7 of those are full.

*Quantify the number of residential beds that have closed for kids, adults with IDD/A, adults with SPMI, and adults with SUD (Rep. Meyer)*

Since March 2021, Children’s Residential Treatment Facilities have experienced numerous challenges with COVID-19 and staffing. Since that time seven programs accounting for 67 licensed beds have temporarily closed. During the same timeframe, nine programs have permanently closed accounting for 96 licensed beds. As of January 2022, there were 46 licensed programs with a licensed capacity of 506 beds.

*Are group homes/residential required to provide notice of closure like NFs? (Rep. Meyer)*

No, group homes and residential facilities are only required to provide the resident with 15 days’ notice and are not required to submit a closure plan or have closure plan approval from the Department.

*Provide a breakdown of FMAP rates through the pandemic (Rep. Hymanson)*

	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
<b>FMAP SQ1</b>	64.52	63.80	63.69	64.00
<b>FMAP SQ2-4</b>	63.80	63.69	64.00	63.29
<b>Blended FMAP</b>	<b>63.980</b>	<b>63.7175</b>	<b>63.92</b>	<b>63.47</b>
<b>State Share SQ1</b>	35.48	36.20	36.31	36.00
<b>State Share SQ2-4</b>	36.20	36.31	36.00	36.71
<b>Blended State Share</b>	<b>36.020</b>	<b>36.2825</b>	<b>36.08</b>	<b>36.53</b>



**Appendix A: Chart of Initiative Applicability (Sen. Claxton)**

Sect.	Program	AAAA	1/22 COLA	7/22 COLA	1/22 125%	1/23 125%	Ramp	Rate Study starting or in progress in FY22
2	Adult Family Care Homes	X		X		X	X	Yes
12	Consumer Directed Care	X	X		X			Rate analysis complete for FY22
13	Targeted Case Management			X	Data indicate already above 125%			Yes
17	Community Support/ACT	X		X		X	X	Yes
18	HCBS – Brain Injury	X	X		X			Rate analysis complete for FY22
19	HCBS – Adult + Disability	X	X		X			Rate analysis complete for FY22
20	HCBS – Adult, Other	X	X		X			Rate analysis complete for FY22
21	HCBS – I/DD	X	X		X			Rate analysis complete for FY22
23	Dev/Behavioral Clinics			X	Clinical service: unlikely to be <125%			
26	Day Health - Cognitive	X		X		X	X	Yes
28	Rehab Support	X		X		X	X	Yes
29	HCBS – I/DD	X	X		X			Rate analysis complete for FY22
30	Family Planning			X	Clinical service: unlikely to be <125%			Yes
40	Home Health Services			X	Data indicate unlikely to be <125%			
65	HCBS - BH	X		X		X	X	Yes
67	NF Services	X		X	X			Yes - for 125%
91	Community Care			X	Data indicate unlikely to be <125%			
92	BH Home Services			X	Data indicate unlikely to be <125%			Yes
93	Opioid Health Homes			X	Data indicate unlikely to be <125%			
96	Private duty nursing	X	X		X			Rate analysis complete for FY22
97	PNMI [C]	X		X	X			Yes - for 125%
97	PNMI [E,F]			X	E: rates support labor >125%			
102	Rehab Services			X	Data indicate unlikely to be <125%			
61	LTC state-only	X	X		X			
63	LTC state-only	X	X		X			
68	LTC state-only	X	X		X			
69	LTC state-only	X	X		X			
C. 5	LTC state-only	X	X		X			
C. 11	LTC state-only	X	X		X			

## Appendix B: Additional Information re: Home and Community Based Programs

- Although Section 21 intellectual and developmental disability (IDD) group home operators continue to have significant staff vacancies, the FY22 Supplemental Budget requests 50 Section 21 reserve slots to ensure that urgent, priority 1 needs may continue to be met. About 630 slots remain available in Section 29 to ensure continuing access to IDD Support Services for the remainder of the biennium.
- While home care continues to be available for MaineCare-eligible adults in Section 19 and 96, additional funding is requested to address the waiting list in Section 63, state-funded home care for adults who are not MaineCare eligible. Participant acuity has been increasing in Section 63, which has increased per person cost, and fewer individuals can be served with base funding.
- With special one-time funding under Section 9817 of the American Rescue Plan Act (10% enhanced LTSS FMAP), the department has made supplemental payments of more than \$120M to stabilize the workforce and has several [initiatives](#) underway to promote access, innovation and quality of HCBS.

### Recent budget initiatives

- PL 2017 c. 460 approved 300 Section 21 slots; however funding for only 133 slots was provided
- PL 2019 c. 343 (20-21 Biennial) provided funding for the remaining 167 Section 21 slots not funded in c. 460
- PL 2019 c. 616 (20 Supplemental) added 362 Section 29 slots
- PL 2021 c. 398 (22-23 Biennial) added 720 Section 29 slots

	Participants				Wait List as of 1/1/22	Current Supplemental Request	Notes
	As of 1/1/19	As of 1/1/20	As of 1/1/21	As of 1/1/22			
Comprehensive Services for IDD/ASD (MaineCare Section 21)	3,117	3,179	3,240	3,262	2008	50	Group home providers remain unable to fill current staff vacancies, making expansion of this service very challenging. However, the program will have used most of its reserve slots (for urgent, priority 1 individuals) by the end of SFY 22 and this request is to ensure continuing capacity to serve priority 1 needs in SFY 23, including high-needs youth who will become adults in the next year.
Support Services for IDD/ASD (MaineCare Section 29)	2,256	2,207	2,357	2,552	276	-	Funding remains to add approximately 630 more participants. New participants are being added as quickly as the system can accommodate them, which has been approximately 30 per month.
In-Home Services for Older Adults and Individuals with Physical Disability (MaineCare Section 19)	1478	1805	2098	2178	0	-	The steady growth in this homecare program suggests that expansion is possible despite worker shortages. The recent addition of a third Service Coordination Agency to this program frees up capacity for growth in Section 63, below.
In-Home Services for Older Adults and Individuals with Physical Disability (State-funded OADS Section 63)	940	1,002	962	677	400-500	600	The acuity of participants has increased steadily in this program, resulting in higher per person costs and fewer participants over time. The current supplemental request assumes the higher current cost per participant, with 50 participants added per month during SFY 2023.