

**Testimony of
Deputy Commissioner of Finance Alec Porteous
Department of Health and Human Services**

**Before the Joint Standing Committee on Appropriations and Financial Affairs and
The Joint Standing Committee on Health and Human Services**

Biennial Budget Change Package

Hearing Date: May 7, 2015

Good afternoon Senator Hamper, Representative Rotundo, Members of the Appropriations and Financial Affairs Committee. I am Alec Porteous, Deputy Commissioner of Finance for the Department of Health and Human Services. The Department has included several items in the Governor's Change Package that we would like to share with Committee Members.

C-A- 7501 (0147, Z009, 0732) Office of MaineCare Services Increase Assisted Living Reimbursement Rate GF FY16 \$3,181,538 FY17 \$3,164,936 FEDERAL FY16 5,185,751 FY17 \$5,202,353 OSR FY16 \$440,384 FY17 \$440,384.

This initiative would provide funding to increase the Private Non-Medical Institutions assisted living reimbursement rate by four percent. Beginning July 1, 2015, the Department would increase the reimbursement rate for Appendices C, E, and F of Section 97 of the MaineCare Benefits Manual.

Maine has one of the oldest populations in the nation, and we need to ensure that adequate resources are available to enable individuals to age in place as they grow older and for others who are in need of more intensive care. Private Non Medical Institutions (PNMIs) are a housing alternative for individuals who can no longer remain safely in their homes and require 24/7 care and support but not institutional level of care.

PNMIs are a vital part of Maine's continuum of care and provide services to individuals—often near their families and in their communities. These facilities are the least restrictive alternative for many individuals and support a higher level of independence and personal choice than an institutional setting. Many of these residential care programs provide specialty care for persons with dementia, mental illness, and intellectual disabilities. These facilities have not received a significant rate increase in the last decade.

There are 243 PNMIs in Maine providing 4,722 licensed beds across the state. Of these, 3,937 are MaineCare beds. In Fiscal Year 2014, the Department paid \$180M to PNMI providers, representing approximately 7.5 percent of total MaineCare expenditures.

C-A- 7502 (0105) Riverview Psychiatric Center Forensic Residents GF FY16 \$3,066,000 FY17 \$3,066,000

This initiative would provide funding to place current Riverview forensic residents who are deemed Not Criminally Responsible—and do not require hospital level of care—at a secure residential treatment facility. The Department is proposing to expand its forensic capacity by adding two, seven-bed secure residential facilities. Establishing these facilities would allow for a more appropriate placement for individuals deemed Not Criminally Responsible, or NCR.

One of the ongoing challenges this Administration has faced is the provision of services to individuals who are deemed Not Criminally Responsible. These individuals require a lengthy evaluative and treatment process initially—possibly at repeated intervals—in an inpatient setting.

At some stage in the treatment of the NCR population, they will no longer require acute psychiatric care—in all likelihood before the court has granted them any community privileges. They, of course, are not permitted to immediately move to a community setting such as a standard forensic group home, until receiving permission from the court. Maintaining secure residential settings that the Commissioner can designate as a residence for these individuals would allow the state to meet their security and treatment needs appropriately.

Hospital certifying bodies, such as CMS, have taken issue with the fact that there is a population at Riverview that no longer requires hospital level of care. By moving these individuals out to secure residential settings, Riverview takes one step closer to receiving the certification needed from CMS. Also, it is expected that Riverview's civil capacity will increase as a result of this and other proposals for the forensic system, relieving pressure on the acute hospitals and emergency rooms.

Furthermore, in compliance with the Consent Decree, Riverview has continued implementation of its policy of least restrictive care. We agree with CMS that these individuals do not require acute hospital level of care and should be appropriately cared for in a less intensive care setting, but at the same time maintaining the appropriate level of security warranted by this patient population. The state has been hampered in its choices of programs by only having the most secure intensive care setting at Riverview, even though it has been considered an inappropriate placement.

This proposal would expand the Department's capacity by adding two, seven-bed secure units located in a community setting. The expected cost for this proposal is \$3,066,000, and reflects a day rate of \$600 per client, compared to \$1,200 for inpatient care.

C-A- 1145 (0147) Office of MaineCare Services Payments to Providers General Fund: FY '16 (\$7,801,624); FY '17 (\$6,318,369) - Federal: FY '16 (\$12,986,077); FY '17 (\$10,607,345)
DHHS runs its MaineCare Forecast on a biannual basis. The August 2014 Forecast, which informed the Department's FY 2016-2017 MaineCare budget request, predicted a \$14 million general fund shortfall in the program over the course of the Biennium. Based on the most recent iteration of the MaineCare Forecast—February 2015—that shortfall no longer exists. \$14 million over the course of the Biennium represents approximately 0.7 percent of total state MaineCare spending over the two-year period, which falls well within the Department's target of forecasting MaineCare within a 1.5 percent margin of error.

C-A- 7015 (0679) Substance Abuse and Mental Health Services Opioid Pilot Project GF FY16 \$356,145 FY17 \$175,416

This initiative provides funding for a pilot project to prescribe treatment for individuals with opioid or alcohol dependency who were recently incarcerated or have been referred by the Department of Corrections or the drug court. This initiative funds an 18 month community based pilot program targeting 60 clients for Vivitrol as a treatment for opioid or alcohol dependency. These clients would have no coverage for the medications and services and would receive up to six doses of Vivitrol. Evaluation of the pilot project could potentially include access, wait-time, and follow-up outcomes data on post-discharge status including employment, new charges, and or incarceration.

C-A- 7052 (0142, 0196) Office of the Commissioner Position Reclassification GF Net Zero (Self-Funded).

This initiative reorganizes seven Public Service Coordinator I positions from a range 25 to a range 27 within the Office of the Commissioner, and it reduces funding in the Office of the Commissioner District Operations in order to fund the reorganization. These positions currently serve as Program Fiscal Coordinators between the Office of the Commissioner and the respective office to which they are assigned. The working title will be changed to Program Financial Officer. This initiative will be self-funded within the Commissioner's Office from efficiencies in controlling the cost of postage, printing and binding, and photocopying.

Transfer the Drinking Water, Subsurface Water and Radiation Control Programs from Department of Health and Human Services to Department of Environmental Protection (0728, 0143, 0697, 0205)

This initiative would transfer the drinking water, subsurface wastewater and radiation control programs from the Maine CDC to the Department of Environmental Protection. Under the LePage Administration, the Department of Health and Human Services has worked diligently to identify unrealized efficiencies in state government. In this case, the Department has identified programs and responsibilities that are better housed in another state agency.

Integration of these programs with other similar programs within the Department of Environmental Protection will increase state government's capacity and ability to provide technical assistance for enhanced regulatory compliance. Each function that DHHS is proposing to transfer to DEP would be core to that agency's mission and would provide for an economy of scale that currently does not exist in administering these programs.

This initiative would shift 44 positions and \$9,241,301 from DHHS to DEP, over the course of the Biennium, of which \$597,753 would be general fund.

Language to Accompany C-A- 7019 (Z009, 0147) Office of MaineCare Services Reduce funding GF FY16 (\$593,750) FY17 (\$712,500) OSR FY16 (\$31,250) FY17 (\$37,500)

This is the language to accompany this initiative to reduce funding in the PNMI Room and Board program by eliminating state-funded medical coverage for applicants who are applying for coverage in certain Private Non-Medical Institutions and whose countable income is greater than 175% of the Federal Poverty Level.