

**Testimony of Richard Rosen, Commissioner
Department of Administrative and Financial Services**

**Before the Joint Standing Committee on
Health and Human Services**

Hearing Date: October 13, 2015

Good morning Senator Brakey, Representative Gattine, and members of the Joint Standing Committee on Health and Human Services, I am Richard Rosen, the Commissioner of the Department of Administrative and Financial Services. Today's testimony is in response to recent questions from the Committee regarding the Fund for a Healthy Maine October 2013 study meeting.

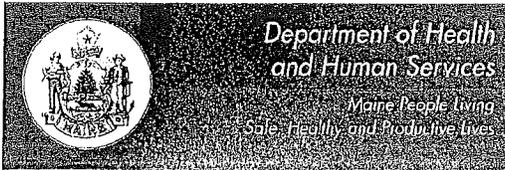
There were multiple initiatives across all departments late in fiscal year 2012 to implement the creation of a separate fund within the Executive branch accounting and budgeting systems. Public Law 2011, chapter 701 required that the Fund for a Healthy Maine be established as a separate and distinct fund for accounting and budgetary purposes. The Commissioner of Health and Human Services testified before the Joint Standing Committees on Appropriations and Health and Human Services (Attachment 1) specifically addressing the response to requirements in PL 2011, c. 701.

In previous years, the Fund for a Healthy Maine had been recorded in the Other Special Revenue fund. This made reporting difficult if there were additional Other Special Revenue accounts in the same program. The fund change was successful as part of the 2014-2015 Biennial Budget. It was accomplished - as directed by PL 2011, c. 701- by reducing the allocation in the Other Special Revenue (014) fund and increasing appropriation in the newly created Fund for a Healthy Maine fund (024).

Since the implementation of "a separate budget entry" in PL 2011, c. 701, the Department of Health and Human Services has the ability to provide reporting on obesity related and other programs as required in PL 2011, c. 617. Please see the recent report (Attachment 2) provided on October 1, 2015 to the Committee from the Department of Administrative and Financial Services.

Finally, the Department of Administrative and Financial Services has provided annually, a detailed accounting (Attachment 3) of the Fund for a Healthy Maine to the Office of Fiscal and Program Review. As of October 1, 2015, the Department of Administrative and Financial Services also began providing additional program details to support the reporting requirements in PL 2011, c. 617. The Department does not foresee, at this time, barriers in providing program details from vendors or contractors.

This concludes my testimony. I would be happy to address any questions you may have.



Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

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**Testimony of
Mary C. Mayhew, Commissioner
Department of Health and Human Services**

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

In Support of L.R. 1046

**AN ACT MAKING UNIFIED APPROPRIATIONS AND ALLOCATIONS FOR THE EXPENDITURES
OF STATE GOVERNMENT, GENERAL FUND AND OTHER FUNDS, AND CHANGING CERTAIN
PROVISIONS OF THE LAW NECESSARY TO THE PROPER OPERATIONS OF STATE
GOVERNMENT FOR THE FISCAL YEARS ENDING JUNE 30, 2014 AND JUNE 30, 2015**

Hearing Date: March 27, 2013

Good afternoon Senator Hill, Senator Craven, Representative Rotundo, Representative Farnsworth and members of the Joint Standing Committees on Appropriations and Financial Affairs and Health and Human Services, I am Mary Mayhew, the Commissioner of the Department of Health and Human Services, and I stand before you today to present information regarding the Department's Biennium Budget Submission.

My testimony this afternoon relates to the Fund for a Healthy Maine. As you know, there are multiple initiatives across all departments to implement the creation of a separate fund within the Executive branch accounting and budgeting systems. Other impacts in the biennium are an increase in the FHM share of MaineCare state funding and an adjustment in funding for Medicaid services as the result of a decrease of the Federal Medical Assistance Program.

Public Law 2011, chapter 701 required that the Fund for a Healthy Maine be established as a separate and distinct fund for accounting and budgetary purposes. In previous years, the Fund for a Healthy Maine has been recorded in the Other Special Revenue fund. This made reporting difficult if there were additional Other Special Revenue accounts in the same program. This fund change was accomplished by reducing the allocation in the Other Special Revenue (014) fund and increasing appropriation in the newly created Fund for a Healthy Maine fund (024). The reductions can be found in the FHM Committee Document. The new allocations can be found in the HHS Committee Document. The total allocation reductions in the FHM document for SFY '14 of \$49,230,426 and \$49,267,329 in SFY '15. The new allocations in the HHS document total SFY '14 \$49,230,426 and \$49,267,329 in SFY '15. There was no change to the amount of allocation or purpose of allocation – only the fund and the program numbers were changed.

0948- HHS (FHM) 15 Ref # 617

Substance Abuse

This initiative includes the reduction to the FHM-Substance Abuse (0948) program in the amount of \$3,123,948 in each year. This program has included two accounts – one specific to MaineCare services and one not. The allocations to the new Fund for a Healthy Maine Fund can be found on page HHS-43(non-MaineCare related) and HHS-46 (MaineCare related).

0953- HHS (FHM) 17 Ref # 1742

Bureau of Health

This initiative includes the reduction to the FHM-Bureau of Health (0953) program in the amount of \$300,000 in each year. This reduction pertains to the Oral Health account within the Bureau of Health Program. The new allocation is in the Health-Bureau of 0143 program. The allocation in the new Fund for a Healthy Maine Fund can be found on page HHS-104 and HHS-105.

0953- HHS (FHM) 18 Ref # 1743

Bureau of Health

This initiative includes the reduction to the FHM-Bureau of Health (0953) program in the amount of \$12,755,094 in FY14 and \$12,791,997 in FY15. This reduction includes Personal Services, All Other and three headcount. The new allocation is in the Health-Bureau of 0143 program. The allocation in the new Fund for a Healthy Maine Fund can be found on page HHS-105.

0958- HHS (FHM) 19 Ref # 1748

Donated Dental

This initiative includes the reduction to the FHM-Donated Dental (0958) program in the amount of \$36,463 in each year. The new allocation is in the Health-Bureau of 0143 program. The allocation in the new Fund for a Healthy Maine Fund can be found on page HHS-104 and HHS-105.

Z015- HHS (FHM) 20 Ref # 1765

Drugs for Elderly and Disabled

HHS (FHM)-20 includes the reduction to the FHM-Drugs for the Elderly and Disabled (Z015) program in the amount of \$10,434,920 in each year. The new allocation is in the Low Cost Drugs to Maine's Elderly program (0202). The allocation in the new Fund for a Healthy Maine Fund can be found on page HHS-114.

0959- HHS (FHM) 21 Ref # 1751

Head Start

This initiative includes the reduction to the FHM-Head Start (0959) program in the amount of \$1,354,580 in each year. The allocation in the new Fund for a Healthy Maine Fund can be found on page HHS-100.

Z048- HHS (FHM) 22 Ref # 1815

Immunization

This initiative includes the reduction to the FHM-Immunizations (Z048) program in the amount of \$1,078,884 in each year. The new allocation is in the Health-Bureau of 0143 program. The allocation in the new Fund for a Healthy Maine Fund can be found on page HHS-104 and HHS-105.

0960- HHS (FHM) 23 Ref # 1754

Medical Care

This initiative includes the reduction to the FHM-Medical Care (0960) program in the amount of \$18,175,419 in each year. The allocation in the new Fund for a Healthy Maine Fund can be found on page HHS-134 as part of the 0147 Medical Care – Payments to Providers program.

0961- HHS (FHM) 24 Ref # 1757

Purchased Social Services

This initiative includes the reduction to the FHM-Purchased Social Services (0961) program in the amount of \$1,971,118 in each year. The allocation in the new Fund for a Healthy Maine Fund can be found on page HHS-159 as part of the 0228 Purchased Social Services program.



STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES

State House Station #58
Augusta, Maine 04333

DATE: October 1, 2015

TO: Senator Erik L. Brakey, Chair
Representative Andrew Gattine, Chair
Members, Joint Standing Committee on Health and Human Services

FROM: Richard Rosen, Commissioner

SUBJECT: Fund for a Healthy Maine

Please see the attached report containing expenditure details that has been received from state agencies as required by Public Law 2011, chapter 701, section 2:

“A state agency that receives allocations from the fund and a contractor or vendor that receives funding allocated from the fund shall maintain that money in a separate account and shall report by September 1st of each year to the Commissioner of Administrative and Financial Services providing a description of how those funds for the prior state fiscal year were targeted to the prevention and health-related purposes listed in subsection 6. The Commissioner of Administrative and Financial Services shall by October 1st of each year compile the reports provided under this subsection and forward the information in a report to the Legislature.”

As of this date, the Department of Administrative and Financial Services has not received any additional reporting describing Fiscal Year 2015 expenditures from contractors or vendors.

Cc: Office of Fiscal and Program Review

Fund for a Healthy Maine Expenditures by Agency - Fiscal Year 2015

Health and Human Services

Expenditure Category	Definition	OMS	CDC	OCFS	SAMHS	Total
6A	Smoking prevention, cessation and control activities, including, but not limited to, reducing smoking among the children of the State		8,475,672			8,475,672
6A1	Prevention, education and treatment activities concerning unhealthy weight and obesity		2,710,379			2,710,379
6B	Prenatal and young children's care including home visits and support for parents of children from birth to 6 years of age					-
6C	Child care for children up to 15 years of age, including after-school care			3,312,234		3,312,234
6D	Health care for children and adults, maximizing to the extent possible federal matching funds	6,612,022	674,759			7,286,781
6E	Prescription drugs for adults who are elderly or disabled, maximizing to the extent possible federal matching funds	27,846,495				27,846,495
6F	Dental and oral health care to low-income persons who lack adequate dental coverage		315,499			315,499
6G	Substance abuse prevention and treatment	1,166,851			1,785,130	2,951,981
6H	Comprehensive school health and nutrition programs, including school-based health centers		580,751			580,751
Total by Office		35,625,368	12,757,060	3,312,234	1,785,130	53,479,792

Department of Education

Hungry students have a much harder time learning. The Child Nutrition program assists schools in providing a healthy breakfast and lunch to students in order to give them the sustenance they need to be able to learn. Funds for a Healthy Maine dollars are used to provide breakfast for those students who receive meals at a reduced cost. Public schools are reimbursed 30 cents per reduced meal. Breakfast is highly correlated with improved learning and higher test scores.

Office of the Attorney General

The Office of the Attorney General's Tobacco Enforcement section within the Consumer Protection Division works toward prevention and health-related purposes as those goals stem from tobacco use in the State in a number of ways. As a signatory state to the 1998 Tobacco Master Settlement Agreement, Maine is an active participant in multi-state efforts to promote public health awareness, education and legislative advances around myriad tobacco issues, including, but not limited to: marketing to youth; introduction and regulation of new tobacco products on the market; and smoking in movies and other mass-marketed depictions. The OAG also oversees the enforcement of the State's tobacco laws as they pertain to retailers, and to tobacco use in public and employment settings.

Finance Authority of Maine

The Finance Authority of Maine (FAME) receives via the biennial budget two FFHM allocations: one is for the FAME-administered Maine Dental Loan and Loan Repayment Programs (\$237,740 in each year of the biennium), while the other is "pass-through money" that supports the University of New-England-administered Maine Area Health Education Centers (\$110,000 in each year of the biennium). As required by statute, these allocations are indeed maintained by FAME in a separate account.

The Maine Dental Education Loan and Loan Repayment Programs provide need-based, forgivable loans to Maine residents pursuing post-graduate education in dentistry and loan repayment for dentists providing services to underserved populations in Maine. The FFHM allocations allow for the selection of new participants in the program and provide continued funding for students needing loans and loan repayment as dentists practicing in underserved areas in Maine. Through the funding, FAME is able to meet its commitment to existing program participants, as well as to add new participants. A commitment in this program is four years for both students receiving loans and for dentists receiving loan repayments. FAME has been able to leverage money in this program twice in the loan repayments program: once through a Health Resources and Services Administration (HRSA) grant, and another time with Delta Dental money. Thus, the program has been efficient and innovative.

For FY 15, the Maine Dental Loan Program spent \$260,000 to assist 13 students. These students received \$20,000 each for their loans. The Maine Dental Loan Repayment Program spent \$130,000 to assist 10 loan recipients. These loan repayment participants received payments ranging from \$10,000 to \$30,000, depending on the terms of their particular agreements.

The Maine Area Health Education Centers (AHEC) funding is "pass-through" money that FAME transfers to the University of New England. This money helps to fund the rural health workforce development programs in the Area Health Education Centers, which are located in Bangor, Farmington, and Presque Isle. These funds are matched 1:1 by HRSA.

The AHEC network works to alleviate shortages of health professionals in Maine’s rural and underserved areas by actively engaging with academic and community partners to:

- Encourage Maine youth and mid-career professionals to explore health careers and create a “pipeline” to target those Maine residents, particularly those from rural areas with the most likelihood of staying within Maine to live and work;
- Provide rural, community-based clinical training experiences for medical and other health professions students. Evidence shows that where students’ initial placements occur creates a likelihood that they will return to practice in those communities;
- Support practicing health professionals with continuing education and distance learning opportunities to train and retain Maine health professionals within the state of Maine.

Please find the FY 15 budget included in the following table by the Area Health Education Centers to FAME. As you can see, it includes the FFHM budgeted allocation for \$110,000, as well as some carry-over funds of \$459.03.

**Maine Area Health Education Centers Network
FAME Budget FY15
July 1, 2014 – June 30, 2015**

Activities	Budget Amount
Western Maine AHEC (Franklin Memorial Hospital) <ul style="list-style-type: none"> • Support retention and recruitment activities for health care personnel through program curriculum development, materials, training supplements, speakers, and conference support • Support youth related programs such as Scrub Club and Public Health Pipeline to increase interest in health careers • Hold health care career fair for college students, high school students and mid-career workers to expand interest in health careers 	\$27,000.00
Northern Maine AHEC (Northern Maine Community College) <ul style="list-style-type: none"> • Provide support for non-credit and short term health care training programs with program educational supplies, IT support for distance education opportunities, and training materials and equipment • Support travel related to AHEC program activities and staff development • Provide support for pipeline activities such as Survivor Aroostook and DOC4ADay to expose students to health careers 	\$27,000.00
Eastern Maine AHEC (Penobscot Community Health Care) <ul style="list-style-type: none"> • Support pipeline activities for high school students including DOC4ADay, Dentist4ADay, and Medical Outreach Maine in conjunction with Tufts/MMC students, UMaine Orono students and Waldo County public schools • Develop and implement new retention programs such as “Finance 101” and “Geriatric Issues” • Support placement of health profession students in clinical rotations including students in PA, Nurse Practitioners, Pharmacists, physicians, dental and other health profession programs 	\$25,000.00

Tribal Outreach Activities (Maine Indian Education) <ul style="list-style-type: none"> • Support the 4th Annual Career Expo for tribal students in Washington County to expose all Maine tribal students to a variety of careers including health careers 	\$7,000.00
Pipeline, Primary Care and Inter-professional Education Activities (Maine Medical Center) <ul style="list-style-type: none"> • Support pipeline activities such a DOC4ADay and activities to interest medical students in primary care such as conferences, speakers and community involvement activities • Support development of an Inter-professional Education clinical rotation placement program for UNE health profession students (DO, Pharmacy, Social Work) 	\$17,800.00
AHEC Program Office (University of New England) <ul style="list-style-type: none"> • Support implementation of inter-professional programs and community involvement projects during clinical placements through mini-grants and training opportunities • Increase interest in family medicine and primary care among health profession students through outreach, conferences and speakers/training support • Support pipeline activities such as summer enrichment or other pipeline activities 	\$6,659.03
Total	\$110,459.03

Department of Administrative Financial Services
Fund for a Healthy Maine
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Sources & Uses
For Fiscal Year 2015
As of June 30, 2015

ATTACHMENT #3

	FY 2015 Budgeted Sources/Uses	Net FY 2014 Encumbrances Forward	FY 2015 Actual Year To Date Sources/Uses	FY 2014 Balances Forward	Actual Less Budget	Cash Outlays	Cash Balance	Net Encumbrances	Unobligated Balance
Sources									
Revenue From Settlement	\$ 48,832,108.00		\$ 49,475,662.05		\$ 643,574.05				0.00
Revenue From Slot Machines	4,288,409.00		4,107,613.86		(180,795.14)				0.00
Interest Income	7,826.00		8,956.27		1,130.27				0.00
Prior Year Adjustments	0.00		430,389.55		430,389.55				0.00
Contributions from OSR	0.00				0.00				0.00
Transfers from Unappropriated Surplus	0.00				0.00				0.00
Balance Forward	7,284,324.10		7,284,324.10		0.00				0.00
General Fund Advance	0.00				0.00				0.00
Total Available	\$ 60,412,667.10		\$ 61,306,965.83		\$ 894,296.73				
USES									
Tobacco Prevention & Control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community School Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Health Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchased Social Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Drugs for the Elderly	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Immunization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substance Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FHM - School Breakfast	213,720.00	0.00	201,972.90	0.00	(11,747.10)	201,972.90	0.00	0.00	0.00
FHM - Oral Health	300,000.00	0.00	298,500.00	0.00	(1,500.00)	279,036.00	19,464.00	0.00	0.00
FHM - Community/School Grants & Statewide	5,018,896.00	399,234.50	4,753,017.92	399,234.50	(265,878.08)	4,816,106.11	336,146.31	0.00	0.00
FHM - Public Health Infrastructure	1,355,923.00	104,148.00	1,149,165.29	104,148.00	(206,757.71)	1,185,403.63	67,909.66	0.00	0.00
FHM - Donated Dental	36,463.00	0.00	36,463.00	0.00	0.00	36,463.00	0.00	0.00	0.00
FHM - Immunization	1,078,884.00	27,452.10	647,306.71	27,452.10	(431,577.29)	674,758.81	0.00	0.00	0.00
FHM - Tobacco Prevention, Control & Treatmt	6,417,778.00	1,241,111.27	5,327,636.78	1,241,111.27	(1,089,541.22)	5,785,293.02	803,455.03	0.00	0.00
FHM - Medical Care	27,669,900.00	0.00	27,668,899.28	0.00	(0.72)	27,668,899.28	0.00	0.00	0.00
FHM - Drugs for the Elderly & Disabled	2,275,081.00	154,568.41	2,691,751.07	154,568.41	416,670.07	2,682,003.61	164,315.87	0.00	0.00
FHM - Purchased Social Services	1,971,118.00	0.00	1,970,810.17	0.00	(307.83)	1,970,810.17	0.00	0.00	0.00
FHM - Head Start	1,354,580.00	35,795.90	1,341,285.25	35,795.90	(13,294.75)	1,341,424.25	35,659.90	0.00	0.00
FHM - Substance Abuse	1,846,306.00	54,078.75	1,813,896.96	54,078.75	(32,409.04)	1,785,129.77	82,847.94	0.00	0.00
FHM - Office of Substance Abuse Medicaid M	1,306,059.00	0.00	1,166,850.50	0.00	(139,208.50)	1,166,850.50	0.00	0.00	0.00
FHM - Attorney General	150,000.00	0.00	145,532.27	0.00	(4,467.73)	145,532.27	0.00	0.00	0.00
FHM - Health Education Centers	110,000.00	0.00	110,000.00	0.00	0.00	110,000.00	0.00	0.00	0.00
FHM - Dental Education	237,740.00	0.00	237,740.00	0.00	0.00	237,740.00	0.00	0.00	0.00
FHM - Drugs for the Elderly & Disabled - SLO	4,489,882.00	0.00	4,107,613.86	0.00	(382,268.14)	4,107,613.86	0.00	0.00	0.00
TOTAL	55,835,062.00	2,016,388.93	53,668,446.96	2,016,388.93	(2,166,615.04)	54,175,037.18	1,509,798.71	1,509,798.71	0.00
UNDISTRIBUTED NET BALANCE	\$ 4,577,605.10	\$ (2,016,388.93)	\$ 7,638,518.87	\$ (2,016,388.93)	\$ 3,060,913.77				

Footnotes

1 All other balances are to satisfy encumbrances carried forward. This is also recognized in the encumbrances column as a liability. The balances forward shown have also been reduced by the amounts returned to the Fund as a result of lapsed prior year encumbrances.