



John E. Baldacci, Governor

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Representative Henry Waxman  
 Chairman of the House Committee on Oversight  
 2157 Rayburn House Office Building  
 Washington, DC 20515-6143

February 21, 2008

Sent via email to [andy.schneider@mail.house.gov](mailto:andy.schneider@mail.house.gov).

**Re: Impact of CMS Revisions on the State of Maine**

Chairman Waxman,

Thank you for the opportunity to provide your Committee a brief data report on the financial impact that recent CMS revisions will have on the State of Maine. As you are aware, the impact of these CMS revisions is often difficult to quantify – for example the increased cost for required audit and billing procedures. However, the data presented below is our best estimate of the impact based on our past claims data.

The chart below sets forth the estimated loss of federal funds as a result of the CMS TCM and Rehabilitation revisions. The columns labeled “Loss to General Fund” refer to loss of federal Medicaid funding for services provided by the state; the columns labeled “Loss to Community” are the loss of federal Medicaid funds that will be incurred by private providers within the state. [We do not have a projection of the costs of these services beyond SFY 2009 – however each of these service areas would have been expected to rise.]

Dept/Program	Loss to General Fund		Loss to Community	
	FY08	FY09	FY08	FY09
<b>Targeted Case Management</b>				
Education	\$733,000	\$2,200,000	\$133,000	\$400,000
Corrections	\$280,000	\$720,000		
Headstart			\$1,080,000	\$4,000,000
Home Visiting				\$1,131,500
DHHS	\$4,850,000	\$14,550,000	\$5,240,000	\$8,421,562
SUBTOTAL TCM	\$5,863,000	\$17,470,000	\$6,453,000	\$13,953,062

Rehabilitation Services				
Education – schoolbased		\$7,400,000		\$19,600,000
Education – developmental therapy required by IDEA		\$10,000,000		
DHHS				\$100,000,000
SUBTOTAL Rehab	\$0	\$17,400,000	\$0	\$119,600,000
TOTAL	\$5,863,000	\$34,870,000	\$6,453,000	\$133,553,062

Our estimated loss for both the state and private providers within Maine for the CMS Certified Public Expenditures revisions is approximately \$36,000,000 of federal funds. \*

Unfortunately, we do not have a clear estimate on the financial impact of the other CMS revisions: graduate medical education; outpatient hospital services; provider taxes and payments for school administration and transportation.

Again, thank you for the opportunity to present the financial impact of these CMS revisions. The detrimental effect on the citizens of Maine will be substantial. Please let me know if you would like further information.

Sincerely,

Tony Marple, Director  
Office of MaineCare Services  
Department of Health and Human Services

cc: Brenda Harvey, Commissioner, DHHS

\* 2/21 Steve Davis  
\$36 M loss of  
federal funds for CPE  
is a yearly  
estimated loss.