



HFMA Meeting

David Winslow, Vice President

Maine Hospital Association

December 2010



Care Provided in Maine

- 2009 Agency for Health Care Research and Quality rankings of health care quality.
- Maine ranked 4th best in this report.
- Below average in nursing home care and maternal and child health measures.
- “I think the reporting is a key driver” Elizabeth Mitchell, CEO, Maine Health Management Coalition. Portland Press Herald 11/26/10.



Maine Statistics

- Maine's Uninsured: 127,966; 10% - U.S. 16%
- 53% Employer Coverage
- 5% Individual
- 19% Medicaid
- 13% Medicare
- 1% Other Public

2005-2006 Kaiser Family Foundation



State General Fund Budget

- SFY '10 \$2.9 Billion
- SFY '11 \$2.8 Billion



DHHS General Fund Budget

- SFY '10 \$823 Million
- SFY '11 \$861 Million



MaineCare General Fund Hospital Spending (No Settlements with ARRA Funding)

- SFY '10 \$96 Million
- SFY '11 \$96 Million
- SFY '12 Unknown



Settlements Paid Under The MaineCare Agreement

HFY '05	\$104 Million
HFY '06	\$118 Million
HFY '07	\$116 Million
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Total	\$338 Million



Estimate of Remaining Settlements Owed

HFY '07	\$35 Million
HFY '08	\$97 Million
HFY '09	\$127 Million
HFY '10	\$95 Million
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Total	\$378 Million



Dirigo Health



Dirigo

■ Enrollment

- Current: 6,500; Medicaid 6,365
- Last year: 8,749; Medicaid: 6,183
- 2 years ago: 10,663; Medicaid: 5,526
- 3 years ago: 14,418; Medicaid: 5,524
- 80% Eligible for Highest Subsidy
- Original projections showed 30,000-70,000 enrollees



Dirigo

- Dirigo is Diri-Gone
- Transition
- Other Coverage Options
- Implementation of Health Care Exchanges and Federal Health Reform
- Maine Quality Forum



Recession and the State Budget

- The recession didn't disappear on election night



A New Reality in Augusta.....



Current Situation

It is imperative that the New Administration and the 125th Maine Legislature:

- Protect existing MaineCare hospital reimbursement rates and ensure that the remaining MaineCare hospital settlement payments for 2007, and all of 2008, 2009, and 2010, estimated at over \$300 million state and federal, are paid.
- Ensure that MaineCare transitions to a managed care program that more effectively manages use of health care services and provides for greater innovation of health care delivery that promotes chronic disease management and rewards for high quality efficient services.



Governor

- Governor LePage is sworn in January 5, 2011.
- Over 150 political appointments to be made.
- Baldacci appointees are able to submit resumes and might be considered.
- Transition team in place.
- Budget transition and preparation team in place.



House of Representatives

- 78 Republicans
- 72 Democrats
- 1 Independent
- Robert Nutting (R-Oakland) Speaker of the House
- Emily Cain (D-Orono) Democrat Minority Leader of the House



State Senate

- 20 Republicans
- 14 Democrats
- 1 Independent
- Kevin Raye (R-Washington) President of the Senate
- Barry Hobbins (D-York) Democrat Minority Leader of the Senate



Implications

- First completely Republican led state government in over 40 years
- Constitutional officers
- Legislative staff
- Different priorities
- Regulatory Reform



Impact on Hospitals

- The recession didn't end on election night....
- Governor-Elect LePage has committed to paying hospital settlements as a top priority.
- The earlier the payments are made the better the federal match rate.



Impact on Hospitals (continued)

- Revenue Forecasting Committee has re-projected revenue.
- State Fiscal Year 2011 - \$111 million.
- Next 2 year cycle - \$365 million.
- Current year Medicaid problem??



Impact on Hospitals (continued)

- CON/CIF
- Staffing Ratios
- State Health Plan
- Taxes
- Managed Care for MaineCare



Transition to MHIMS



DRG/APC Transition

- Current plan – could change
- DRG/APC billing started September 1, 2010
- Professional claims payments started September 1, 2010
- DRG payments began with hospital fiscal years beginning after October, 2010



DRG/APC Transition (continued)

- Standard DRG base rates with wage index of one.
- APC % of Medicare to be decided at a future date.
- Physician service paid as % of cost but billed on 1500.
- CAH to be billed as APC/DRG, payment transition yet to be decided.



DRG/APC Transition (continued)

- PIP to be phased out – critical step
- 30 Day maximum claims turnaround
- Temporary cash flow interruption – better over the long term??
- What happens a year from now – or sooner??