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January 8, 2013

Senator Dawn Hill, Chair  
Representative Margaret R. Rotundo, Chair  
Members of the Joint Standing Committee  
on Appropriations and Financial Affairs  
#100 State House Station  
Augusta, ME 04333-0100

Senator Margaret M. Craven, Chair  
Representative Richard R. Farnsworth, Chair  
Members of the Joint Standing Committee  
on Health and Human Services  
#100 State House Station  
Augusta, ME 04333-0100

Dear Committee Members:

The MaineCare Redesign Task Force was developed to “provide detailed information that will enable the Legislature to redesign the MaineCare program in a manner that will maintain high-quality, cost-effective services to populations in need of health coverage, comply with the requirements of the federal Patient Protection and Affordable Care Act of 2010 for state Medicaid programs and realize General Fund savings in fiscal year 2012-13 of \$5,250,000.”

Nine meetings were held from August 28, 2012, through December 11, 2012. During this time, the Task Force heard from MaineCare senior staff about MaineCare's Value Based Purchasing initiatives, and received information from the Maine Health Management Coalition on the high costs of healthcare in Maine and the un-sustainability of those costs from the perspective of employer members. MaineCare presented information about the high cost and utilization of services by small proportions of the MaineCare populations.

The Task Force heard and considered a significant amount of information over the course of these meetings. The final recommendations that the Task Force endorsed were carefully weighed and considered before the committee gave its approval. Public input was sought throughout the process and the final meeting allowed three of the four hours to be spent hearing from the public on recommendations being considered.

A few recommendations were made that will require additional follow-up and research to better understand the costs and benefits. For example, MaineCare staff has begun to convene meetings and engage researchers to answer questions that the 126<sup>th</sup> legislature will need to consider if restoration of smoking cessation benefits and provision of certain adult dental benefits will be made available. Other recommendations will be implemented while MaineCare will meet with stakeholders. For example, MaineCare will work with the Maine Healthcare Association and researchers from USM to understand the impact that eliminating “leave days” would have on the long term care industry in the state. Policy research will be done to understand the impact of restricting anti-psychotic medication on individuals under 21.

The Task Force has identified areas of cost savings that can be initiated and realized in SFY '13. MaineCare has begun to initiate action on these recommendations, such as prior authorizations and utilization review services for psychiatric services. We are pursuing a plan to require prior approval of advanced imaging services within the 1<sup>st</sup> quarter of 2013 and will be following up on other recommendations made for achieving savings in SFY '13 and beyond.

The dedication and commitment of the Task Force members is evident in the comprehensive list of recommendations. I am thankful to each member of the Task Force for their time and effort, and to the many members of the public who provided invaluable input through this process, whose results will benefit the people of the state through improved efficiency and effectiveness of its MaineCare services.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary C. Mayhew", with a long horizontal flourish extending to the right.

Mary C. Mayhew  
Commissioner

MCM/klv

Enclosure