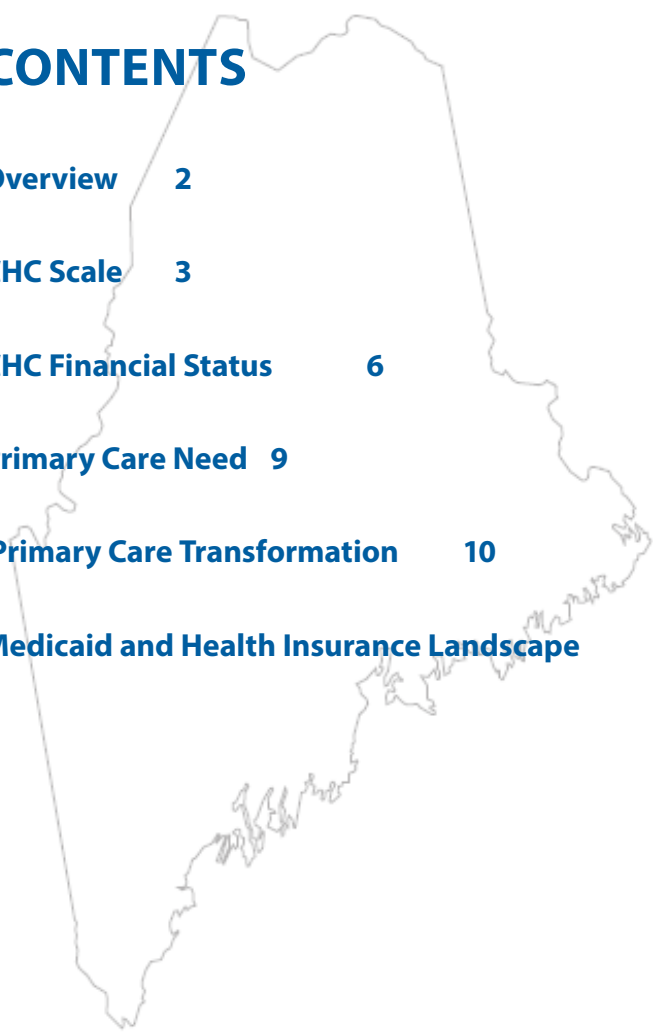


COMMUNITY HEALTH CENTER GROWTH AND SUSTAINABILITY
STATE PROFILES

MAINE

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OVERVIEW

Market Share & Growth

- As of 2014, there were 19 CHCs operating 134 permanent clinical service delivery sites throughout the state of Maine. The primary care association representing CHCs is the Maine Primary Care Association.^{1 2}
- Maine CHCs provided 843,390 visits to 181,467 patients in 2012.³
- The number of people served by CHCs increased by an average of 1.8% annually between 2010-2012, compared to 4.1% average annual growth experienced by CHCs nationwide.³
- CHCs serve approximately 18.1% of Maine's Medicaid population (US: 16%) and 13.7% of its overall population (US: 7%). Maine CHCs serve 28.5% of individuals with incomes <200%, compared with 15.9% nationally.³
- Medicaid enrollment, currently at 300,000, is projected to grow by 10,000 (3.3%) by 2022 in the absence of a Medicaid expansion. Should Maine adopt the expansion, enrollment would be projected to grow by an additional 45,000 individuals (15%), with the uninsured rate projected to decrease from 11% to 5.1% by 2022.⁴

Policy & Reimbursement

- Maine spends slightly less than \$6,600 per Medicaid enrollee annually – 26th highest in the nation.⁵
- Medicaid reimbursement for Maine CHCs is governed by “Cost Reimbursement” principles,⁶ though the PCA indicates cost of services exceeds reimbursement.
- Maine is not implementing a Medicaid expansion under the ACA. The state's legislature has passed bills to expand Medicaid in accordance with the ACA five times, with each bill vetoed by the Governor. The most recent veto was April 9, 2014.⁷
- Medicaid eligibility for parents is up to 105% FPL; for pregnant women, 214% FPL; and for children, it is family income up to 213% FPL.⁸
- The health insurance exchange is federally run. In the first enrollment period, individuals who have selected health plans through the exchange reached a total of 44,258, surpassing a goal of 23,000.^{9 10}
- Maine is participating in several CMS Innovation Awards, including the “Multi-Payer Advanced Primary Care Program,” and was awarded a State Innovation Model Grant awards.¹¹

CHC SCALE

Main CHCs Compared to CHCs Nationwide

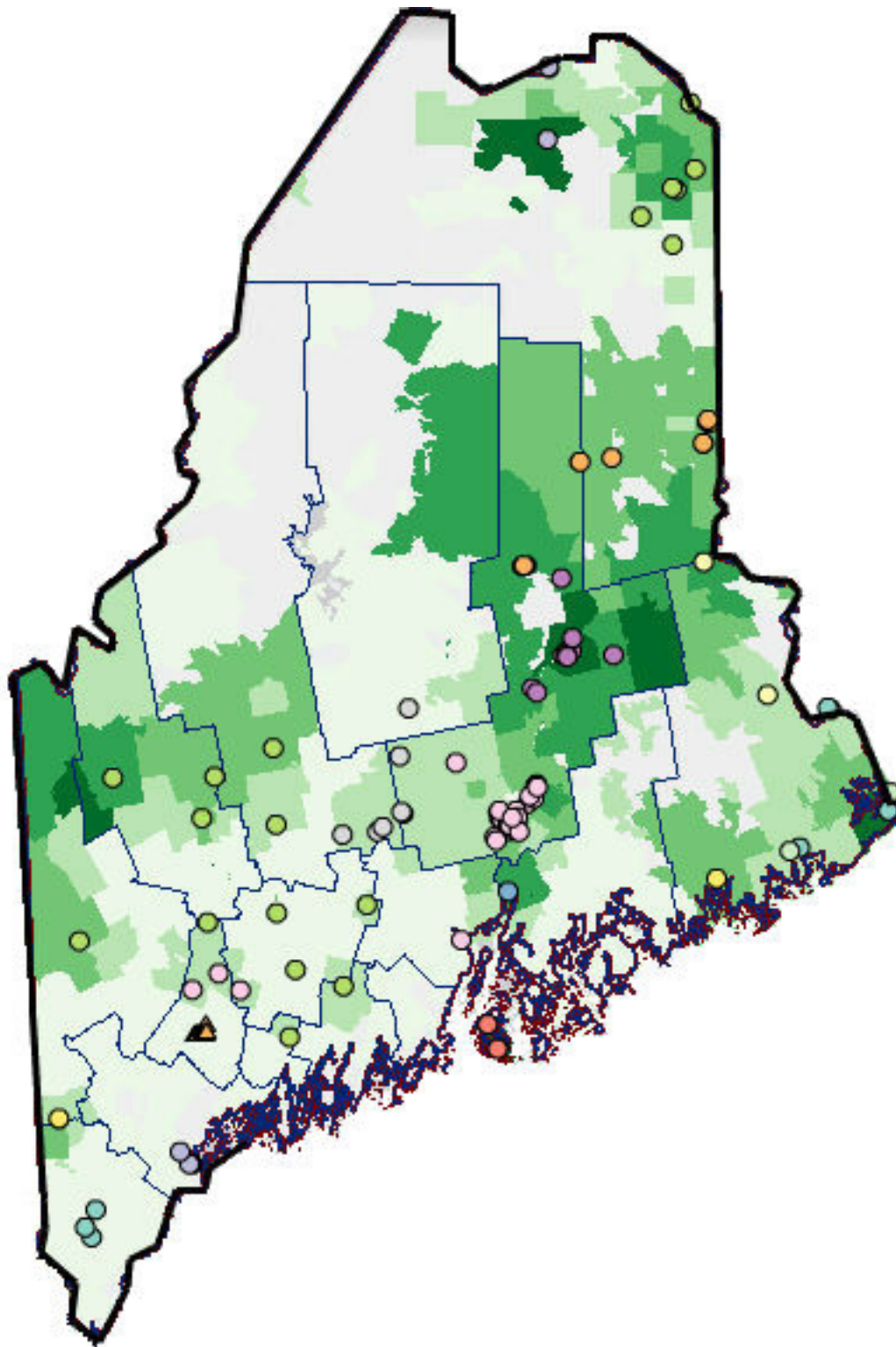
- Double the national average in percentage of population served
- Slightly higher proportion of Medicaid enrollees served
- Considerably higher proportion of mental health visits
- Visit volume growth rate near national average, but patient volume growth rate less than half the national average

	ME	US
Population Served (2012)		
Total patients served by CHCs	181,467	21,102,391
% of population served by CHCs	13.7%	6.8%
% of under 200% FPL served by CHCs	28.5%	15.9%
% of Medicaid Enrollees Served	18.1%	16.4%
CHC Characteristics and Volume		
Number of CHCs (2014)	19	1284
Total CHC Service Delivery Sites (2014)	65	9509
Average Sites per CHC (2014)	3.4	7.4
Annual Visits (Total) (2012)	843,390	83,766,153
Annual Visits per CHC (2012)	46,855	69,922
Annual Visits Per Patient (2012)	4.65	3.97
Visit Mix (% of Annual Visits by Service Type) (2012)		
Medical	74.6%	73.6%
Dental	11.2%	12.8%
Mental Health	11.7%	7.5%
Case Management/Enabling	2.5%	6.2%
Compound Annual Growth Rate (2010-2012)		
Total Patients	1.8%	4.1%
Total Annual Visits	4.2%	4.3%
Medical	1.5%	3.5%
Dental	8.6%	7.6%
Mental Health	13.8%	9.6%
Case Management/Enabling	3.9%	1.6%

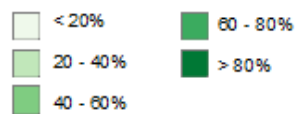
Note: All CHCs are Federally Qualified Health Centers receiving Section 330 grants. Lookalikes not included.

Source: UDS Summary Data 2010-2012, 2014

Share of Population Served by Maine CHCs ¹²

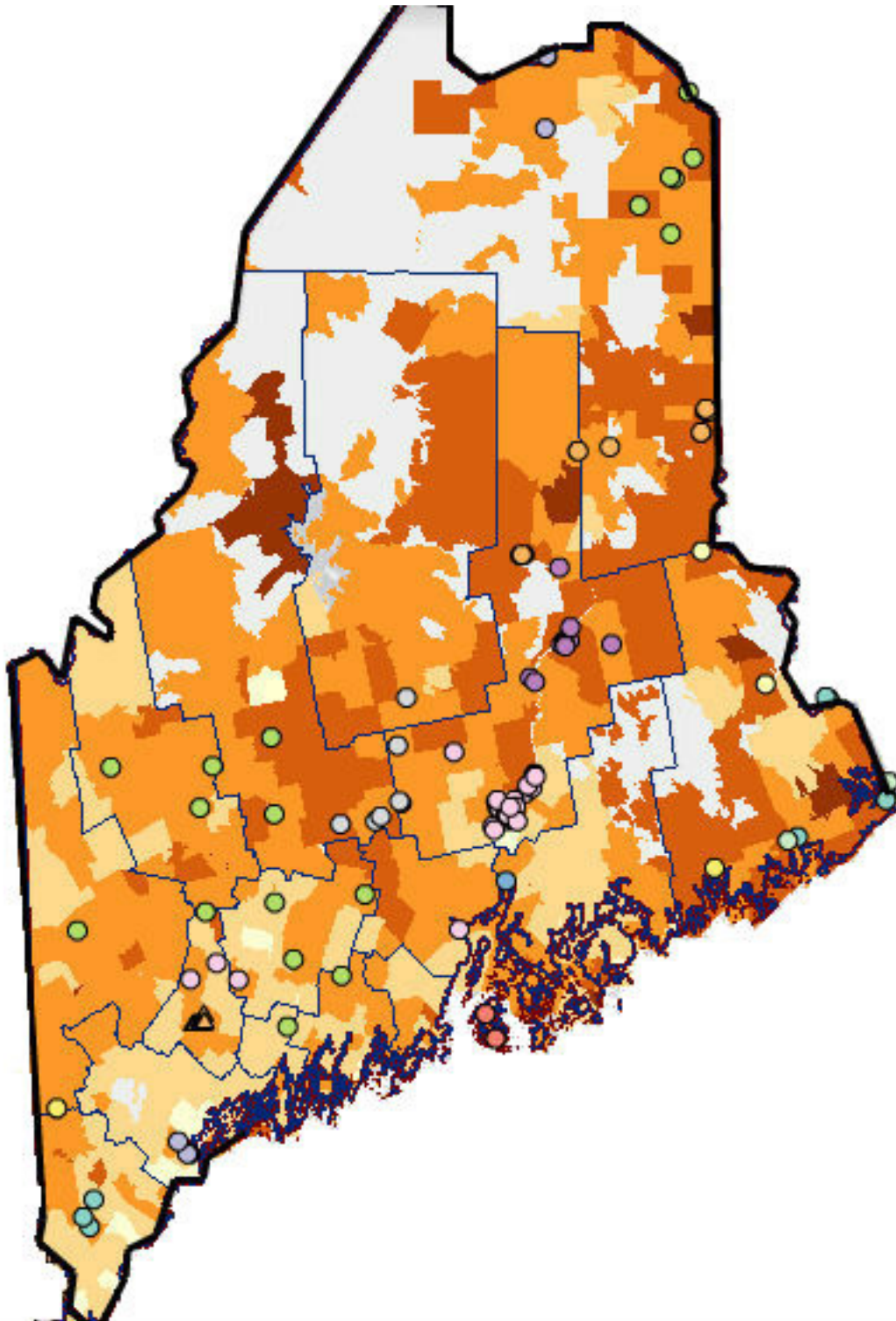


% of Total Population Served by CHCs

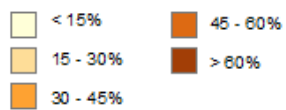


Colored circles represent CHC locations.
Unique color for each CHC network.

Maine Low Income Population ¹²



% of Low-income (Pop below 200% FPL)



Colored circles represent CHC locations.
Unique color for each CHC network.

CHC FINANCIAL STATUS

Maine CHCs Compared to CHCs Nationwide, 2012

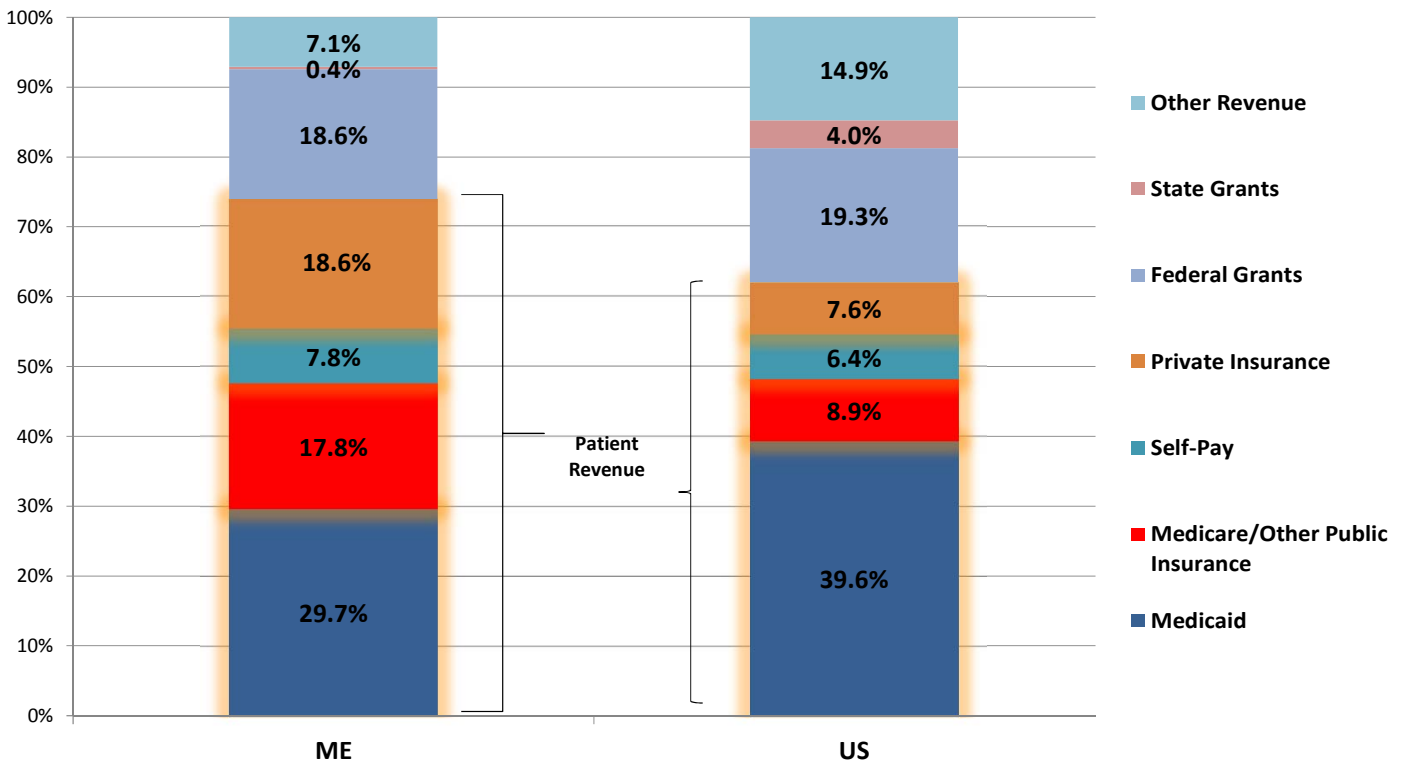
- Greater proportion of revenue from patient services
- Follow a rural CHC profile, with lower proportion of patient revenue from Medicaid, and higher proportions of revenue from private insurance and Medicare, reflecting the fact that Maine has one of the oldest populations in the country
- Very little state grant revenue

	ME	US
CHC Revenue Mix		
Patient Revenue	74.0%	62.9%
Medicaid	29.7%	39.6%
Medicare/Other Public Insurance	17.8%	8.9%
Self-Pay	7.8%	6.4%
Private Insurance	18.6%	7.6%
Federal Grants	18.6%	19.3%
State Grants	0.4%	4.0%
Other Revenue	7.1%	14.9%

Note: All CHCs are Federally Qualified Health Centers receiving Section 330 grants. Lookalikes not included.

Source: UDS Summary Data 2010-2012, 2014

Overall CHC Revenue Mix 2012



Source: UDS Summary Data 2012

CHC FINANCIAL STATUS

Maine CHCs as a Group, 2009-2011

- Median Total Assets increased by 8%
- Unrestricted Net Assets grew by 62%
- Median Days Cash on Hand decreased by 52%, from 23 to 11 days, well below the 30-day benchmark

ME Financial Performance 2009- 2011					
	Statewide CHC Medians			% Change	Benchmark
	2009	2010	2011		
Growth					
Total Assets (\$)	\$3,012,840	\$3,432,225	\$3,243,300	8%	N/A
Total Revenues (\$)	\$4,164,647	\$4,799,768	\$4,591,200	10%	N/A
Profitability					
Total Margin (%)	1.1%	6.3%	5.2%	360%	N/A
Unrestricted Net Assets (\$)	\$969,750	\$1,281,211	\$1,566,704	62%	N/A
Liquidity					
Days Cash on Hand	23	26	11	-52%	>30 Days
Days in Accounts Receivable	29	27	31	5%	<60 Days

Note: CHC 990s have limitations, and certain indicators could not be accurately analyzed as a result. For a more complete picture of CHC financials, audited financial statements should be consulted.

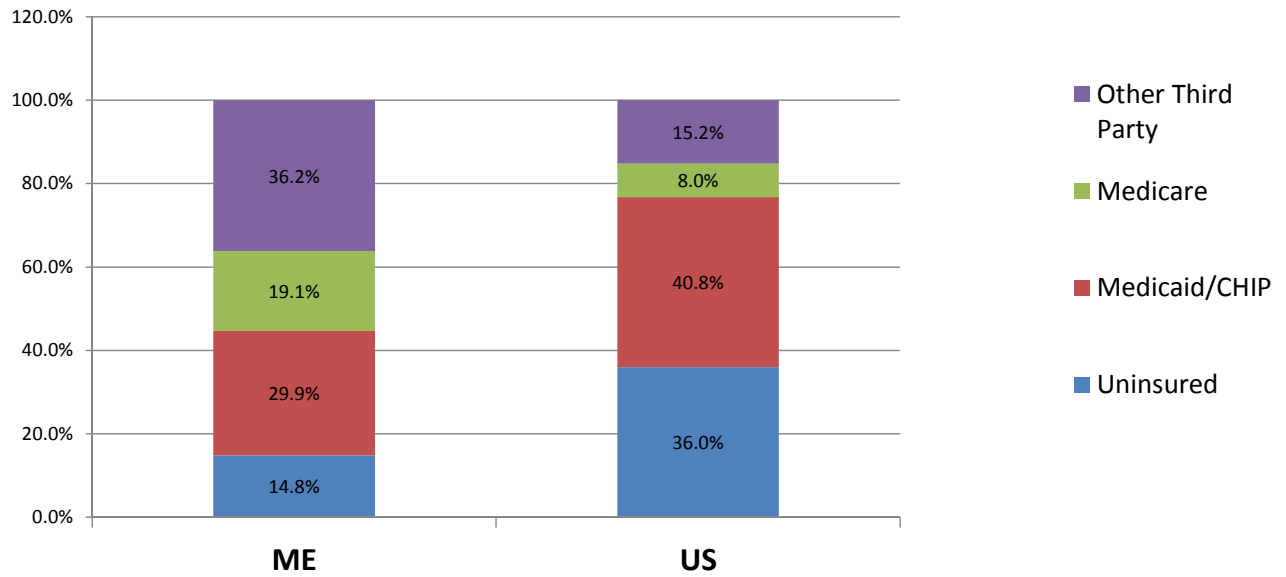
Maine CHCs Visit Mix Compared to CHCs Nationwide ¹³

- Significantly lower proportion of patients living at or near poverty level, though there is considerable variability among CHCs
- Much lower proportion of patients are uninsured
- Significantly higher proportion of revenue from Medicare and other third party payer

	ME	US
CHC Visit Mix - 2012		
<u>Income Status</u>		
Patients at or below 200% poverty level	73.2%	92.6%
Patients at or below 100% poverty level	44.3%	71.9%
<u>Coverage Status</u>		
Uninsured	14.8%	36.0%
Medicaid/CHIP	29.9%	40.8%
Medicare	19.1%	8.0%
Other Third Party	36.2%	15.2%

Source: UDS Summary Data 2012

Visit Mix by Payer - 2012



Source: UDS Summary Data 2012

PRIMARY CARE NEED

Statewide Primary Care & Prevention Clinical Indicators

- Better than national average on many primary care & prevention indicators
- Ranked #16 in America's Health Rankings®

Statewide Primary Care Shortage & Workforce Indicators

- Significantly lower proportion of population is underserved for primary care, though the PCA considers this an anomaly and shows considerable more need than data indicate.
- Underserved population for dental slightly above national average.

	ME	US
Primary Care & Prevention Clinical Indicators		
% births to women with late/no prenatal care	1.5%	5.3%
% low birthweights	6.3%	8.1%
% adults diagnosed with diabetes	8.5%	9.3%
Adult diabetes deaths per 100,000	21.8	20.8
Adult heart disease deaths per 100,000	151.1	179.1
Avoidable Hospitalizations per 1,000	59.3	66.6
America's Health Ranking (United Health Foundation)	16	NA
Primary Care Shortage and Workforce Indicators		
Estimated underserved population for primary care	32,236	35,057,608
<i>% of total population</i>	2.4%	11.3%
Estimated PCPs needed to achieve target PCP:Population Ratio	7	7067
Estimated underserved population for dental	177,854	31,707,007
<i>% of total population</i>	13.4%	10.2%
Estimated dental providers needed to achieve target Practitioner:Population ratio	44	6531

Source: Kaiser State Health Facts 2012

PRIMARY CARE TRANSFORMATION

Patient Centered Medical Home ^{3 14}

- 58% of Maine CHC sites have achieved PCMH recognition or certification as of 12/31/13, compared to 44% nationally.
- Since 2010, 22 adult practices and 4 pediatric practices, serving 68,000 patients, have each received enhanced payments through a \$500,000 Medicaid PCMH Pilot. The practices also receive transformation supports including a learning collaborative, practice coaching, and consultations with key experts.
- In 2012, pilot leaders launched 8 community care teams (CCTs) to support primary care providers in operating medical homes. In 2013, the Pilot program was expanded to include an additional 50 adult practices.
- In January 2013 CMS approved a health home State Plan Amendment for Medicaid enrollees with chronic conditions that is closely tied to the state's PCMH Pilot.
- Maine is one of 6 states selected in February 2013 to receive a State Innovation Model Testing Award; CMS awarded \$33 million to Maine to advance patient centered medical homes.

Electronic Health Record Adoption ¹⁵

- At 83%, Maine is close to national average (79%) in CHCs with her availability.
- Maine is near or above national average in 8 of the 12 EHR functionality categories. 12 CHCs are involved in a Health Center Controlled Network (HCCN) managed by the PCA.

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Medicaid Policies – Highlights

- Slightly higher per-enrollee Medicaid spending than the national average
- Under current policies, with no expansion, Medicaid enrollment is expected to grow 3.3% over the next 10 years; if the state adopts Medicaid expansion, growth will be substantially higher, at nearly 20%

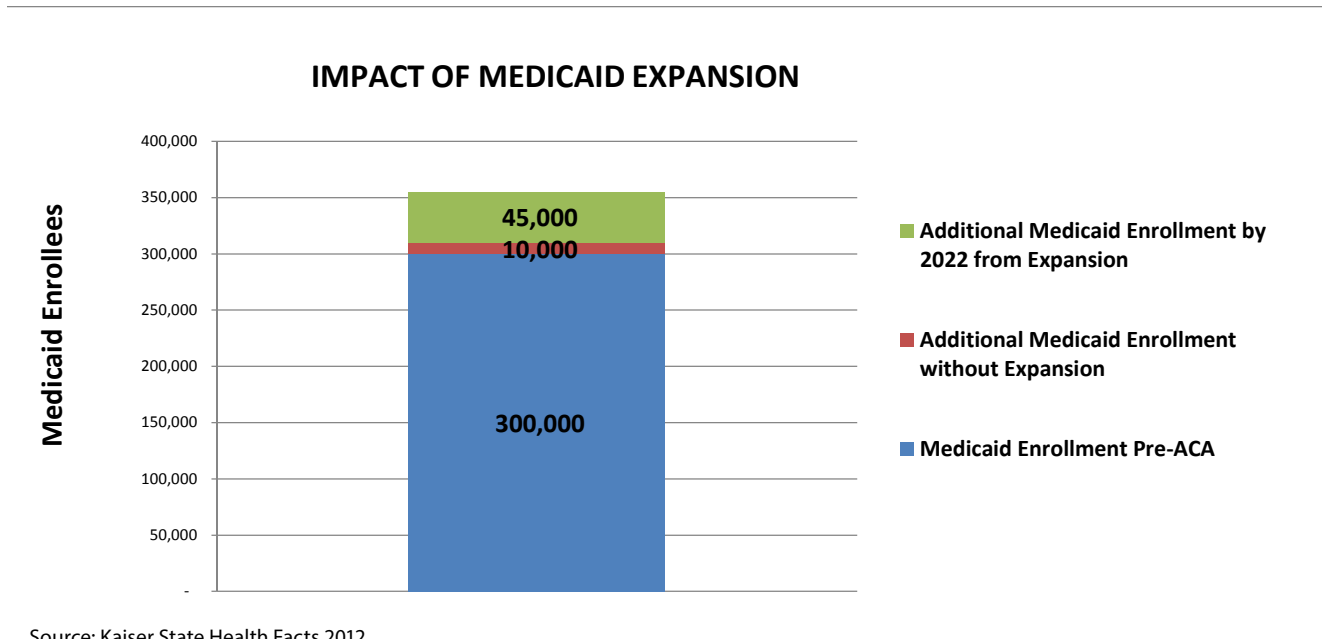
	ME	US
Medicaid Policies		
Medicaid Payments Per Enrollee	\$5,968	\$5,563
Federal Medical Assistance Percentage (FMAP)	62.6%	50.0%
Health Insurance & Medicaid Expansion		
Implementing Medicaid Expansion	Not Expanding	
Health Insurance Exchange	Federal	
Total Uninsured	146,000	53,277,000
<i>% of Uninsured Individuals (all ages)</i>	11.0%	17.2%
Medicaid Enrollment Pre-ACA	300,000	52,410,000
<i>% of Total Population</i>	22.6%	16.9%
Additional Enrollment with ACA but no Medicaid Expansion	10,000	5,659,000
Additional Enrollment with ACA and Medicaid Expansion	55,000	21,280,000
<i>% Growth in Medicaid Enrollment from ACA + Expansion</i>	18.3%	40.6%
Estimated Number Remaining Uninsured After ACA	72,000	27,930,000
<i>Estimated % Uninsured After ACA (2020)</i>	5.1%	8.7%

Source: Kaiser State Health Facts 2012, Urban Institute HIPSM 2012

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Health Insurance & Medicaid Expansion – Highlights

- Has not expanded Medicaid and is not participating in creating a state-run exchange
- Residents are eligible for ACA subsidies through the federally-run healthcare.gov
- Lower proportion of uninsured than U.S. average, but significant numbers of individuals unable to access coverage because state did not expand Medicaid
- Proportion of residents who are uninsured is projected to decrease from 11.0% to 7.2% over the next decade without Medicaid expansion, and could decrease to 5.1% with Medicaid expansion



Maine Medicaid Spending

Maine spends just under \$6,000 per Medicaid enrollee annually, the lowest in New England and the 26th highest in the nation for all health care services provided. ⁵

For SFY 2013, Maine ranks 3rd in the nation in Medicaid expenditures as a percentage of the state's total budget. ¹⁶

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Medicaid Coverage & Administration

Maine has to date not chosen to expand its Medicaid program under the ACA⁶, with the legislature supporting expansion and the Governor vetoing expansion legislation.

MaineCare is Maine's Medicaid program that has historically provided coverage for residents living below 100% FPL, as well as others with low-income.¹⁷

Most MaineCare beneficiaries receive their care through a Primary Care Management model of managed care.¹⁸

Current eligibility levels are shown below. Prior to 2014, Maine provided coverage to childless adults up to 100% FPL, and to parents of dependent children up to 200% FPL.¹⁸ However, to reduce the budget, the state submitted an amendment to reduce coverage for parents, and failed to renew its waiver for coverage of childless adults in December 2013.^{19 20} Approximately 25,000 MaineCare patients were dropped from eligibility, many of which are CHC patients.²¹

There are no enrollment fees for participation in the Medicaid program; however, premiums are required for certain individuals based on their income level. Nominal co-payments are also required for certain services in selected settings.²²

Medicaid and CHIP Income Eligibility Limits as % of FPL

	Children Ages 0-19	Pregnant Woman	Parents of Dependent Children	Non-Disabled Adults
2013	185%	200%	200%	100%
2014	213%	214%	105%	0%

*There is some variability in eligibility limits for children in 2013 under Medicaid based on age; however, the eligibility level chosen reflects the year's CHIP eligibility and/or highest eligibility level under Medicaid.

Source: Kaiser State Health Facts 2012

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Maine CHC Reimbursement Policies

Maine reimburses CHCs in accordance with the federal PPS methodology. Maine law additionally provides that the State “shall reimburse a federally qualified health center no less than 100% of reasonable costs, reduced by the total copayments for which members are responsible, for services furnished by the center within the scope of service approved by the federal Health Resources and Services Administration or the commissioner.”⁶ Maine does not provide funding to CHCs for indigent care.²³

According to the Maine PCA, the PPS rate has not kept pace with inflation and reimbursements under MaineCare’s PPS do not cover the full cost to care required under federal law, including enabling services like transportation, interpretation and case management.

A CHC can request a rate adjustment due to a substantial change in the type of service provided. The CHC will be required to submit documentation showing that the federal Health Resources Services Administration (HRSA) had approved its change in scope of services and a cost report reflecting at least six months of financial data supporting the claim.²⁴

Services eligible to generate a reimbursable PPS encounter include those provided by MDs, DMDs, NPs, LSCWs, RNs, psychologists and dental hygienists.

Primary Providers Eligible for Reimbursement

State	MD	DMD	NP	Psychologist	Other
ME	Yes	Yes	Yes	Yes	

Secondary Providers Eligible for Reimbursement

State	RN	LCSW	Physical Therapist	Dental Hygienist	Nutritionist
ME	Yes	Yes		Yes	

Source: Kaiser State Health Facts 2012

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Collaboration with CMS ²⁵

Maine is collaborating with the Centers for Medicare and Medicaid Services (CMS) Innovation Center on a number of programs intended to develop and test service delivery models. The models typically provide incentive payments to participating providers, and include:

- **FQHC Advanced Primary Care Demonstration** – Select FQHC Grantees will receive funding to demonstrate how the patient-centered medical home (PCMH) model improves quality of care, promote better health and lower costs. There are 6 grantees and 14 total health centers participating in the demonstration in Maine.
- **Multi-Payer Advanced Primary Care Practice Initiative (MAPCP)** – a Medicare program promoting Advanced Primary Care (APC) practices.
- **State Innovation Model** -- Maine is the recipient of a \$33 million “Model Testing Award” to implement a State Health Care Innovation Plan.

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