



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

July 19, 2021

The Honorable Guy Guzzone  
Chair  
Senate Budget and Taxation Committee  
3 West Miller Senate Office Bldg.  
Annapolis, MD 21401-1991

The Honorable Maggie McIntosh  
Chair  
House Appropriations Operations  
121 House Office Bldg.  
Annapolis, MD 21401-1991

**Re: 2020 Joint Chairmen's Report (p. 116) – Community First Choice Program Financial Data**

Dear Chairs Guzzone and McIntosh:

Pursuant to the requirements of the 2020 Joint Chairmen's Report (p. 116), the Maryland Department of Health (MDH) respectfully submits this Quarter 1 report for FY2021 (July 2020 - September 2020) on the requested information for Community First Choice data. Specifically, the quarterly report includes the elements from the following request:

**Community First Choice Program Financial Data:** Spending under the Community First Choice (CFC) program is expected to approach \$400 million in fiscal 2021. In order to better forecast future growth in the program, the committees request that MDH submit quarterly reports on spending in CFC. The reports should include monthly enrollment, utilization, and cost data that can be used to support actual budget expenditures under the program. The initial report should include data that reconciles to actual spending in fiscal 2018 through 2020.

The Hilltop Institute at UMBC aided MDH in compiling the data requested. The requested data and methodology are provided in the attached memorandum. The memorandum describes the Community First Choice program data included and provides visual representations of the data. Please note that providers of Medicaid services, including the services provided under the Community First Choice program, have one calendar year from the date of service to bill for claims, which may cause a lag in calculating actual expenditures.

If you have questions or need more information, please contact Heather Shek, Director, Office of Governmental Affairs at 410-767-5282 or [heather.shek@maryland.gov](mailto:heather.shek@maryland.gov).

Sincerely,

Dennis R. Schrader  
Secretary

cc: Steven R. Schuh, Deputy Secretary, Health Care Financing and Medicaid  
Heather Shek, Director, Office of Governmental Affairs  
Sarah Albert, Department of Legislative Services, 5 copies

# The Hilltop Institute



**To:** Shawn Zimmerman  
**CC:** Marlana Hutchison, Christin Diehl  
**From:** Stephanie Cannon-Jones  
**Date:** October 19, 2020  
**Re:** Community First Choice Program and Community Options Waiver Utilization and Expenditures FY 2020 and Quarter 1 FY 2021, revised

## Introduction

In June 2020, the Maryland Department of Health (the Department) requested that The Hilltop Institute provide Community First Choice (CFC) program financial data for a Joint Chairman's Report requirement. To better forecast future growth in the program, the committee requested that the Department submit quarterly reports on spending in CFC. Hilltop's report included monthly enrollment, utilization, and actual expenditures in fiscal year (FY) 2018 through FY 2020. This memo updates the enrollment and actual spending through the first quarter of fiscal year FY 2021. In September 2020, the Department also requested that monthly FY 2020 information on the Home and Community Options Waiver (CO) be provided.

## Methodology

Hilltop utilized the Maryland Medicaid Management Information System (MMIS2) home health claims files to identify monthly enrollment, utilization, and cost data for the CFC program. The CFC procedure codes W5510, W5511, W5512, W5513, W5514, W5515, W5516, W5517, W5518, W5519, W5521, W5522, W5523, W5524, W5525, W5530, W5532, and W5533 were used to capture utilization and expenditure data for claims submitted with a date of service in FY 2019 through FY 2021. Hilltop analyzed utilization and expenditure data to determine the unique CFC users by month and quarter and the average CFC expenditures per participant. To obtain the CO Waiver service information, Hilltop generated the Centers for Medicare and Medicaid Services (CMS) 372 report, removing the Money Follows the Person criteria.

Hilltop notes that data for FY 2021 may not reflect complete enrollment, utilization, or expenditures. Please note only limited data runout is available. Typically, there is time allocated for claims run-out to ensure that all costs are captured when analyzing actual expenditures.

memorandum

## Results

Table 1 shows CFC expenditures, unique users, and average annual CFC expenditures per participant in FY 2018 to FY 2021. Trends show an increase in CFC expenditures and average annual expenditures per person across all three fiscal years. Total CFC expenditures increased 23.9 percent from \$307,969,149 in FY 2018 to \$381,430,349 in FY 2020. On average, per person CFC expenditures totaled \$20,318 in FY 2020, up from \$16,839 in FY 2018. Table 1 shows that 3,403 FY 2020 CO Waiver participants received at least one waiver service and at a cost of \$42.4 million.

**Table 1. CFC Expenditures, Unique Participants, and Average Expenditures per Person, FY 2018 – FY 2021**

Fiscal Year	CFC Expenditures	CFC Unique Participants	CFC Average Expenditures per Person
2018	\$307,969,149	18,289	\$16,839
2019	\$339,290,850	18,970	\$17,886
2020	\$381,430,349	18,773	\$20,318
2021	\$100,691,366	15,338	\$6,565

Note: FY 2021 figures are as of October 2020.

Table 2 shows that in FY 2020, 3,403 unique waiver participants received at least one waiver service. The average cost per participant for his/her waiver services was close to \$12,500. FY 2021 expenditures represent only quarter one.

**Table 2. CO Waiver Expenditures, Unique Participants, Non-Waiver Expenditures, and Total Expenditures, FY 2020 – FY 2021**

Fiscal Year	CO Waiver Expenditures	CO Unique Waiver Service Users	CO Non-Waiver Expenditures	Total Expenditure for CO Waiver Service Users
2020	\$42,447,599	3,403	\$176,495,132	\$218,942,731
2021	\$4,808,985	1,901	\$45,119,021	\$49,928,006

Note: FY 2021 figures are as of October 2020.

### ***FY 2020 to FY 2021 CFC Enrollment and Expenditures by Month***

Table 3 and Table 4 show the monthly FY 2020 and FY 2021 CFC enrollments and expenditures. Increases and decreases in total expenditures and enrollments were seen in the first eight months of the FY 2020. Small and steady increases followed in March 2020 through the first

quarter of FY 2021. Average monthly per person costs ranged from a low of \$2,061 in February 2020, to a high of \$2,538 in August 2020. Note: September 2020 registered an average cost lower than that of February 2020, but this may be due to run out.

**Table 3. FY 2020 – FY 2021 CFC Enrollment and Expenditures, by Month**

Month/Year	Total CFC Expenditures	Unique Monthly CFC Users	Average Monthly CFC Expenditures Per Person
July 2019	\$30,996,653	14,240	\$2,177
August 2019	\$31,304,860	14,358	\$2,180
September 2019	\$30,101,045	14,280	\$2,108
October 2019	\$31,827,236	14,384	\$2,213
November 2019	\$30,202,946	14,287	\$2,114
December 2019	\$31,069,647	14,259	\$2,179
January 2020	\$31,552,898	14,373	\$2,197
February 2020	\$29,740,263	14,435	\$2,061
March 2020	\$32,312,104	14,626	\$2,211
April 2020	\$33,013,597	14,740	\$2,246
May 2020	\$34,500,439	14,746	\$2,340
June 2020	\$34,808,659	14,785	\$2,353

**Table 4. FY 2020 CFC Enrollment and Expenditures, by Month**

Month/Year	Total CFC Expenditures	Unique Monthly CFC Users	Average Monthly CFC Expenditures Per Person
July 2020	\$37,454,505	14,760	\$2,538
August 2020	\$37,246,777	14,786	\$2,519
September 2020	\$25,990,084	14,211	\$1,829

### ***FY 2020 to FY 2021 CO Enrollment and Expenditures by Month***

Table 5 shows the monthly FY 2020 CO Waiver enrollments and expenditures. Cycles of increases and decreases in expenditures for both waiver services and non-waiver service were noted throughout the year. Average monthly per person costs ranged from a low of \$1,250 in March 2020, to a high of \$1,681 in August 2019.

**Table 5. FY 2020 CO Enrollment and Expenditures, by Month**

Month/Year	Waiver Services Expenditures	Unique Monthly CO Service Users*	Average Monthly CO Expenditures Per Service User	Total Non-waiver Services Expenditures	Total Waiver and Non-waiver Expenditures
July 2019	\$4,249,071	2,532	\$1,678	\$14,384,228	\$18,633,299
August 2019	\$4,226,809	2,515	\$1,681	\$14,114,325	\$18,341,134

September 2019	\$3,977,058	2,591	\$1,535	\$13,840,120	\$17,817,178
October 2019	\$4,188,829	2,558	\$1,638	\$14,455,298	\$18,644,127
November 2019	\$3,930,641	2,546	\$1,544	\$13,855,241	\$17,785,882
December 2019	\$4,048,651	2,630	\$1,539	\$14,385,361	\$18,434,012
January 2020	\$4,084,262	2,597	\$1,573	\$14,783,756	\$18,868,018
February 2020	\$3,801,086	2,543	\$1,495	\$13,734,390	\$17,535,476
March 2020	\$3,153,797	2,523	\$1,250	\$15,101,780	\$18,255,577
April 2020	\$2,257,008	1,778	\$1,269	\$15,971,655	\$18,228,663
May 2020	\$2,303,956	1,777	\$1,297	\$15,973,503	\$18,277,459
June 2020	\$2,226,431	1,766	\$1,261	\$15,895,476	\$18,121,907

\*Waiver participants receiving at least one waiver service per month.

The most utilized CFC service is personal assistance (W5519). Table 5 shows for this service the monthly number of unique users, expenditures, average cost per person, and average units per person (in hours). In FY 2020, 12,154 unique users received this CFC personal assistance service at a cost of \$320.4 million. Monthly, this service accounted for 84.5 to 86.0 percent of the total FY 2020 CFC expenditures each month. When analyzed quarterly, at \$87.5 million FY 2021 quarter one personal assistance service expenditures were 87.3 percent of the total quarter one CFC expenditures. In FY 2020, on average, 11,400 Marylanders received this service each month and at an average monthly cost of \$2,378 per person. The average monthly number of FY 2021 quarter one users was 11,724 at an average monthly cost of \$2,490. The average number of FY 2020 service units (in hours) used per person monthly was 132. The average number of units per person per month was 129 in FY 2020 quarter one and 133 in FY 2021 quarter one.

**Table 5. FY 2020 – FY 2021 CFC Personal Assistance Service (W5519), by Month**

Month/Year	W5519 Expenditures	Unique Monthly CFC Users	Average Monthly Expenditures Per Person	Average Monthly Units Per Person Per Month (in hours)
FY 2020				
July 2019	\$26,409,046	11,306	\$2,336	130
August 2019	\$26,810,783	11,388	\$2,354	131
September 2019	\$25,812,476	11,380	\$2,268	126
October 2019	\$26,895,813	11,441	\$2,351	130
November 2019	\$25,974,153	11,436	\$2,271	126
December 2019	\$26,718,315	11,373	\$2,349	130
January 2020	\$26,878,013	11,409	\$2,356	131
February 2020	\$25,304,556	11,437	\$2,213	123
March 2020	\$27,403,193	11,465	\$2,390	133
April 2020	\$27,998,273	11,239	\$2,491	138
May 2020	\$29,572,688	11,335	\$2,609	145
June 2020	\$29,502,710	11,558	\$2,553	142

<b>FY 2021</b>				
July 2020	\$32,012,733	11,662	\$2,745	146
August 2020	\$32,134,872	11,755	\$2,734	146
September 2020	\$23,394,458	11,756	\$1,990	106

Please let us know if you have any questions.