



DEPARTMENT OF HEALTH

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 3 report for FY2021 (January 2021 - March 2021) 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.

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

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To: Shawn Zimmerman & Albert Safi
CC: Christin Diehl
From: Stephanie Cannon-Jones
Date: April 8, 2021
Re: Community First Choice Program and Community Options Waiver Utilization and Expenditures, Quarter 3 Update, FY 2021

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. Specifically, the Department asked that Hilltop provide quarterly reports on CFC enrollment, service utilization, and actual expenditures for fiscal year (FY) 2018 through FY 2020. In September 2020, the Department also requested that monthly FY 2020 information on the Home and Community Options (CO) Waiver be provided. This memo updates these datapoints for FY 2021, quarters 1 and 2 (July 2020 to December 2020) and provides new data for FY 2021, quarter 3 (January 2021 to March 2021).

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 occurring in 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 & Medicaid Services (CMS) 372 report, removing the Money Follows the Person criteria.

Typically, there is time allocated for claims run-out to ensure that all costs are captured when analyzing actual expenditures. As a result, FY 2021 data will not reflect complete enrollment, utilization, or expenditures, as only limited data runout is available.

memorandum

Results

Table 1 shows CFC expenditures, unique users, and average annual CFC expenditures per participant during FY 2018 to FY 2021. Trends show an increase in CFC expenditures and average annual expenditures per person across the first three full 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. CFC FY 2021, expenditures for quarters 1 to 3 totaled \$326,296,365. The average cost per person was \$18,816.

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	\$326,296,365	17,341	\$18,816

Note: FY 2021 figures are as of April 7, 2021.

Table 2 shows that as of Q3, 2,214 unique participants received at least one waiver service. FY 2021 waiver service expenditures were \$18,389,826 (or 11%) of the total \$166.7 million Medicaid expenditures for CO Waiver participants. Non-waiver service expenditures totaled \$148,374,229 (or 89 percent) of the total Medicaid FY 2021 expenditures for CO Waiver participants. The ratio of 11 percent for waiver expenditures to 89 percent for non-waiver expenditures was relatively consistent across the three quarters.

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

Fiscal Year/Quarter	CO Waiver Expenditures	CO Unique Waiver Service Users	CO Non-Waiver Expenditures	Total Expenditures for CO Waiver Service Users
2020	\$42,447,599	3,403	\$176,495,132	\$218,942,731
2021	\$18,389,826	2,214	\$148,374,229	\$166,764,055
Quarter 1	\$7,048,423		\$51,757,922	\$58,806,344
Quarter 2	\$6,884,174		\$51,882,659	\$58,766,833
Quarter 3	\$4,457,229		\$44,733,648	\$49,190,877

Note: FY 2021 figures are as of April 7, 2021.

FY 2021 CFC Enrollment and Expenditures by Month

Table 3 shows the monthly FY 2021 CFC enrollments and expenditures. As in previous reports, mild fluctuations continued in total expenditures, the number of users, and per person expenditures throughout FY 2021. Average monthly CFC expenditures were \$36.2 million or \$2,433 on average, per person per month. Decreases in the last month of the reporting period are likely due to limited data runoff.

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

Month/Year	Total CFC Expenditures	Unique Monthly CFC Users	Average Monthly CFC Expenditures per Person
July 2020	\$37,591,176	14,802	\$2,540
August 2020	\$37,425,943	14,831	\$2,523
September 2020	\$36,846,686	14,958	\$2,463
October 2020	\$38,323,311	14,984	\$2,558
November 2020	\$36,151,519	14,881	\$2,429
December 2020	\$37,586,632	14,958	\$2,513
January 2021	\$38,409,772	14,904	\$2,577
February 2021	\$35,197,599	15,047	\$2,339
March 2021	\$28,763,729	14,728	\$1,953

FY 2021 CO Enrollment and Expenditures by Month

Table 4 shows the monthly FY 2021 CO Waiver enrollments and expenditures. Cycles of increases and decreases in expenditures for both waiver services and non-waiver service were noted in the first nine months of the fiscal year. March 2021 decreases are likely due to a lack of data runoff.

Table 4. FY 2021 CO Enrollment and Expenditures, by Month

FY 2021 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 2020	\$2,403,202	1,765	\$1,362	\$17,372,222	\$19,775,424
August 2020	\$2,360,910	1,767	\$1,336	\$17,089,767	\$19,450,677
September 2020	\$2,284,311	1,753	\$1,303	\$17,295,932	\$19,580,243
October 2020	\$2,336,745	1,708	\$1,368	\$17,860,975	\$20,197,719
November 2020	\$2,257,219	1,704	\$1,325	\$16,958,185	\$19,215,404
December 2020	\$2,290,211	1,714	\$1,336	\$17,063,499	\$19,353,710
January 2021	\$2,272,163	1,679	\$1,353	\$17,466,018	\$19,738,181

February 2021	\$1,974,857	1,690	\$1,169	\$15,532,308	\$17,507,165
March 2021	\$210,209	1,308	\$161	\$11,735,323	\$11,945,532

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

The most utilized FY 2021, CFC service is personal assistance (W5519) at a total cost of \$282,397,836. Table 5 shows the monthly number of unique users, expenditures, average cost per person, and average units per person (in hours) for this service. The average number of unique users per month was 11,853. The monthly average cost of providing this service was \$31,377,537 or \$2,647 per person per month. The average number of service units (in hours) used per person monthly was 140. This information may change as additional data runout becomes available.

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

FY 2021 Month/Year	W5519 Expenditures	Unique Monthly CFC Users	Average Monthly Expenditures per Person	Average Monthly Units Per Person Per Month (in hours)
July 2020	\$32,066,984	11,671	\$2,748	147
August 2020	\$32,214,212	11,765	\$2,738	146
September 2020	\$31,373,403	11,870	\$2,643	141
October 2020	\$32,931,089	11,964	\$2,753	147
November 2020	\$31,421,085	11,895	\$2,642	141
December 2020	\$32,572,366	11,929	\$2,731	146
January 2021	\$33,538,933	11,866	\$2,826	145
February 2021	\$30,496,728	11,866	\$2,570	132
March 2021	\$25,783,037	11,853	\$2,175	112

Please let us know if you have any questions.