



## DEPARTMENT OF HEALTH

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

September 21, 2020

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

The Honorable Maggie McIntosh  
Chair  
House Appropriations Committee  
121 House Office Building  
Annapolis, MD 21401-1991

**Re: 2020 Joint Chairmen's Report (pg. 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 has enclosed the initial report of the requested information for Community First Choice data from fiscal year 2018 through 2020. 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 the Maryland Department of Health (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 the Department 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 as well. Please note the caveat 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. The Maryland Department of Health will continue to submit quarterly reports as requested by the Joint Chairman's Report.

Thank you for your consideration of this information. If you have any questions about this report, or would like to have additional information, please contact Chief of Staff Tom Andrews at (410) 767-1036 or [thomas.andrews@maryland.gov](mailto:thomas.andrews@maryland.gov).

Sincerely,

Robert R. Neall  
Secretary

# The Hilltop Institute



University of Maryland, Baltimore County  
Sondheim Hall, Third Floor  
1000 Hilltop Circle  
Baltimore, Maryland 21250

phone: 410-455-6854  
fax: 410-455-6850  
[www.hilltopinstitute.org](http://www.hilltopinstitute.org)

**To:** Marlana Hutchison  
**CC:** AJ Safi and Debi Briggs  
**From:** Stephanie Cannon-Jones, Shalini Sahoo, and Christin Diehl  
**Date:** June 22, 2020  
**Re:** Community First Choice Program Utilization and Expenditures, FY 2018 – FY 2020

## Introduction

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. In order to better forecast future growth in the program, the committees requested that the Department 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 year (FY) 2018 through FY 2020.

## 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 2018, FY 2019, and FY 2020. Hilltop analyzed utilization and expenditure data to determine the unique CFC users by month and the average CFC expenditures per participant.

Hilltop notes that data for FY 2020 do not reflect complete enrollment, utilization, or expenditures. Hilltop receives data from MMIS2 on a month lag basis and currently has data through May 2020. Additionally, there is typically 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 for FY 2018 to FY 2020. FY 2020 includes data from July 2019 through May 2020. Trends show an increase in CFC expenditures and average annual expenditures per person across all three fiscal years.

**Table 1. CFC Expenditures, Unique Participants, and Average Expenditures per Person, FY 2018 – FY 2020**

Fiscal Year	CFC Expenditures	CFC Unique Participants	CFC Average Expenditures per Person
<b>FY 2018</b>	\$307,969,149	18,289	\$16,839
<b>FY 2019</b>	\$339,290,850	18,970	\$17,886
<b>FY 2020</b>	\$339,824,411	18,317	\$18,552

Note: FY 2020 includes data from July 2019 through May 2020.

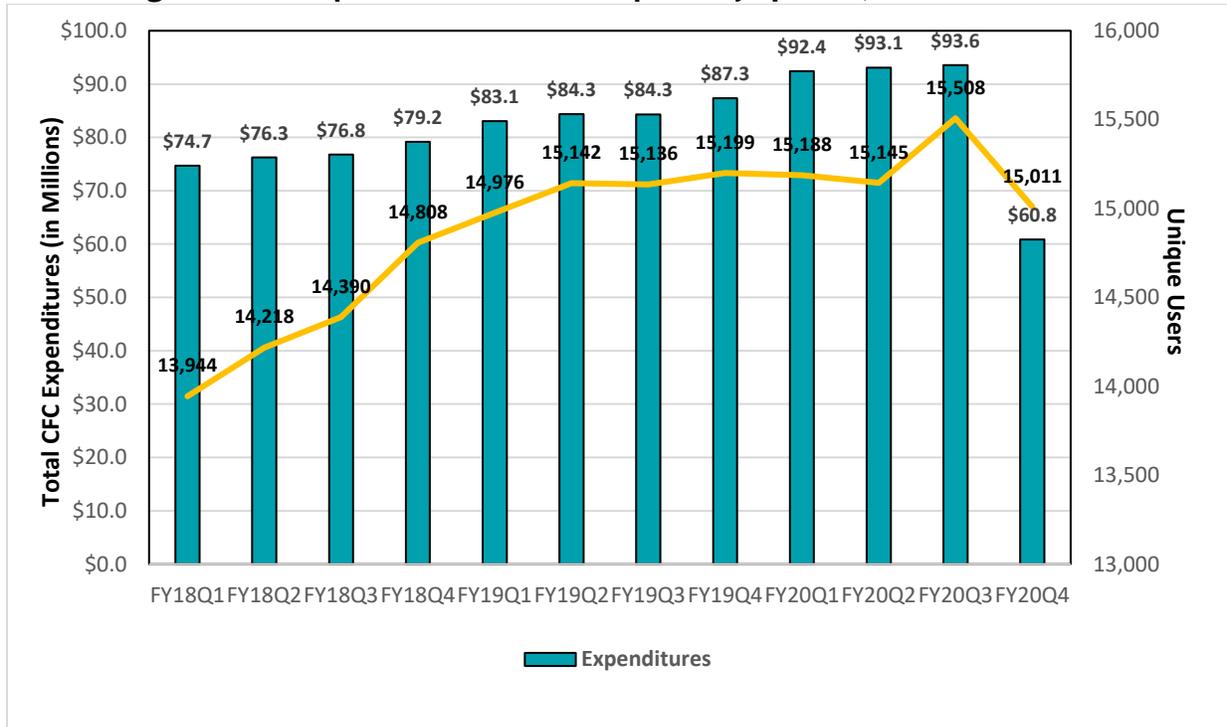
### CFC Expenditures

Total CFC expenditures in Table 1 highlight an increase in CFC program spending of 10.3 percent from \$307,969,149 in FY 2018 to \$339,824,411 in FY 2020. According to provider rate transmittals,<sup>12</sup> provider rates increased 3 percent for FY 2019 and 3 percent for FY 2020. Figure 1 shows CFC expenditures and participants by quarter for FY 2018 to FY 2020. The average increase in spending by quarter from FY 2018 quarter one through FY 2020 quarter three was 2 percent. The largest increase in spending—5.8 percent—occurred between FY 2019 quarter four and FY 2020 quarter one. The number of unique participants increased by 11.2 percent from FY 2018 quarter one to FY 2020 quarter three.

<sup>1</sup> [https://mmcp.health.maryland.gov/MCOupdates/Documents/pt\\_29-18.pdf](https://mmcp.health.maryland.gov/MCOupdates/Documents/pt_29-18.pdf)

<sup>2</sup> <https://mmcp.health.maryland.gov/MCOupdates/Documents/PT%2001-20%20Fiscal%20Year%202020%20Rates%20for%20the%20Community%20First%20Choice%20and%20Community%20Personal%20Assistance%20Programs.pdf>

**Figure 1. CFC Expenditures and Participants by Quarter, FY 2018 – FY 2020**

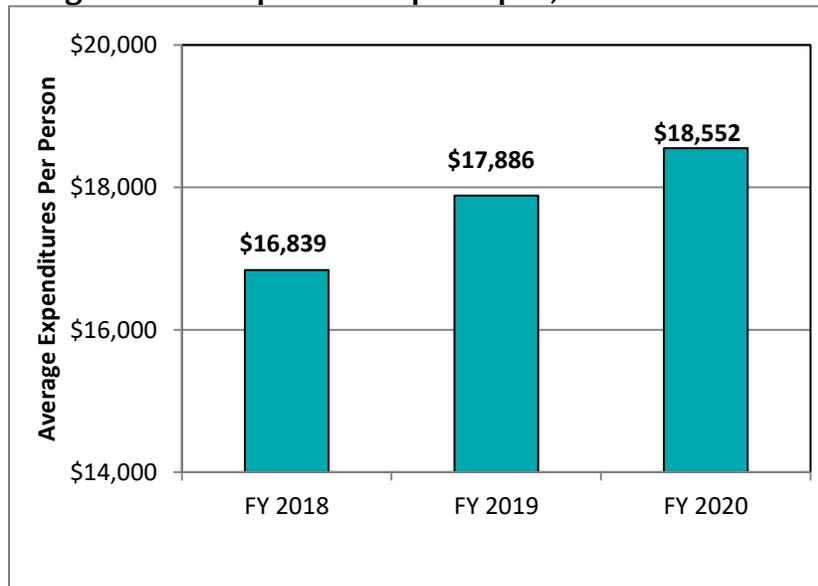


Note: FY20Q4 only includes expenditures and participants for April 2020 and May 2020.

### CFC Average Expenditures per Person

Figure 2 shows the average annual CFC expenditures by person for FY 2018 to FY 2020. The average annual costs per person increased 10.2 percent during the study period.

**Figure 2. CFC Expenditures per Capita, FY 2018 – FY 2020**



Note: FY 2020 includes data from July 2019 through May 2020.

The most utilized CFC service is personal assistance (W5519). Table 2 shows the number of unique users, total expenditures, total units, average cost per person per month, and average units per person per month.

**Table 2. Most Utilized CFC Service, FY 2018 – FY 2020**

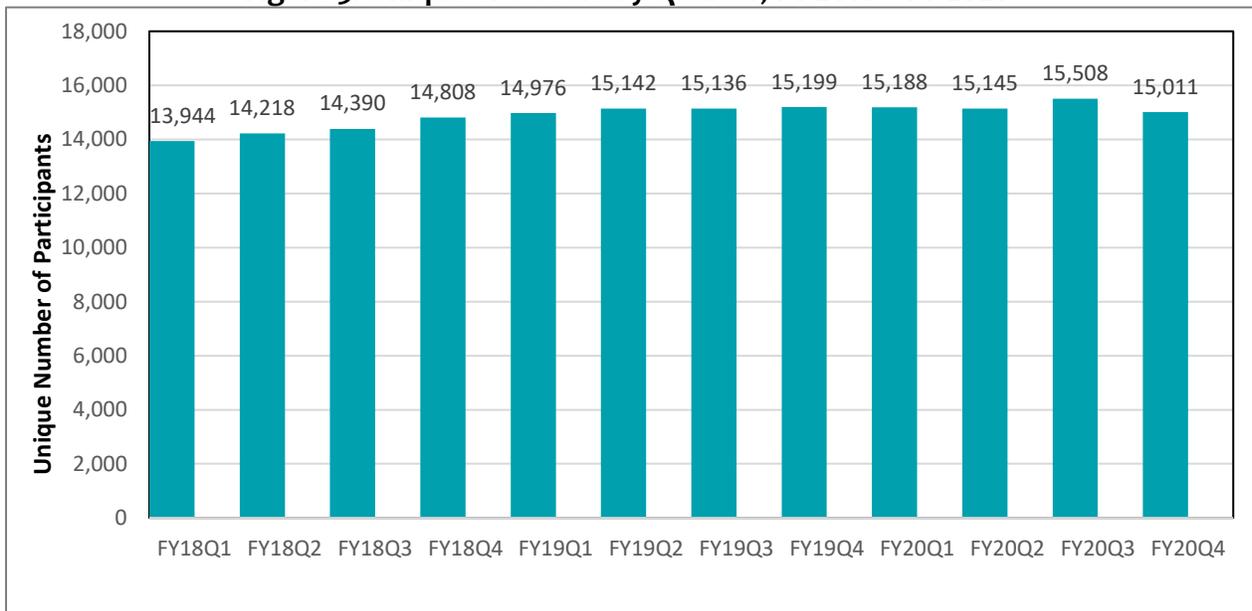
Fiscal Year	Service	Unique FY Service Users	Total Expenditures	Total Units	Avg Cost per Person per Month	Avg Units per Person per month
FY 2018	Personal Assistance	12,552	\$259,690,325	61,490,490	\$2,137	506
FY 2019	Personal Assistance	13,403	\$289,195,451	66,365,630	\$2,220	510
FY 2020	Personal Assistance	13,486	\$290,924,523	64,782,107	\$2,325	518

Note: FY 2020 includes data from July 2019 through May 2020.

### Unique Users

Table 1, above, shows that the number of unique users increased 3.7 percent from 18,289 in FY 2018 to 18,970 in FY 2019. From FY 2019 to FY 2020, there was a decrease of 3.4 percent in unique users with the data through May 2020. We recommend reanalyzing the trend when a full data set is available. Figure 3, below, shows the number of unique CFC users by quarter for FY 2018 to FY 2020. The quarter-by-quarter trend shows an increase in participants.

**Figure 3. Unique CFC Users by Quarter, FY 2018 – FY 2020**



Note: FY20Q4 only includes unique users for April 2020 and May 2020.

Please let us know if you have any questions.