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DIRIGO HEALTH AGENCY
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KARYNLEE HARRINGTON
EXECUTIVE DIRECTOR

December 20, 2011

TO: Katrin Teel, Senior Health Advisor, Governor's Office
Kathleen Newman, Deputy Chief of Staff, Governor's Office

FROM: Karynlee Harrington, Executive Director, DHA

CC: Joe Bruno, Chair of DHA Board of Trustees
William Kilbreth, Deputy Director, DHA

RE: Impact of the Supplemental Budget on DHA

Per your request I am submitting the following summary of the financial impact of the provisions in the Governor's proposed supplemental budget that are specific to the Dirigo Health Agency (DHA).

Listed in the table below are the three initiatives in the proposed supplemental budget that have a financial impact on DHA by state fiscal year along with the amount of the impact.

Initiative	Impact on DHA Fund			Budget Area
	FY 2012	FY 2013	Total Budget	
1	\$ (472,800)	\$ (2,556,881)	\$ (3,029,681)	MEDICAL CARE - PAYMENTS TO PROVIDERS 0147 (Pg A-12)
2	\$ (10,000,000)	\$ 0	\$ (10,000,000)	MEDICAL CARE - PAYMENTS TO PROVIDERS 014 (pg A-14)
3	\$ 1,159,127	\$ 9,614,390	\$ 10,773,517	MEDICAL CARE - PAYMENTS TO PROVIDERS 014 (Pg A-12)
Total impact on DHA Fund	\$ (9,313,673)	\$ 7,057,509	\$ (2,256,164)	

Description of Initiative(s):

1. Adjusts funding for the 2012-2013 biennium for the Cubcare program for families with income greater or equal to 150% but less than 200% of the nonfarm income official poverty line as the result of contributions from the Dirigo Health program to provide MaineCare seed for the program – **DHA Note: DHA contribution is \$472,800 in FY 2012 and \$2,556,881 in FY 2013 to pay for Cubcare.**

2. Adjusts funding in fiscal year 2011-12 as a result of contributions from the Dirigo Health program to provide MaineCare seed for the childless adult waiver. - **DHA Note: DHA contribution is \$10,000,000 in FY 2012 and \$0 in FY 2013 to pay for Childless Adults. Proposed initiative eliminates childless adult program.**

3. Reduces funding by eliminating optional coverage under the MaineCare program for families who are covered above mandatory federal levels. **DHA Note: Elimination of families who are covered above mandatory federal levels reduces DHA contributions in the current budget of \$1,159,127 in FY 2012 and \$9,614,390 in FY 2013.**

The total impact of the proposed initiatives in the Governor's supplemental budget on the DHA fund over the period FY12-FY13 is \$(2,256,164). Assuming the proposed supplemental is passed the Dirigo Board of Trustees will need to assess how to address the \$(2,256,164) reduction in revenue.

Please do not hesitate to contact me with additional questions.