

House Bill 4245 (Substitute H-2 as passed by the Senate)
Sponsor: Representative Shane Hernandez
Committee: Appropriations

Date Completed: 1-21-20

CONTENT

The supplemental would provide appropriations for fiscal year (FY) 2018-19 for the Department of Health and Human Services (DHHS). The FY 2018-19 supplemental would provide funding to the DHHS to cover expected expenditures and to square appropriations with expenditures for bookclosing. Table 1 summarizes the appropriations in the supplemental.

Table 1

FY 2018-19 Supplemental Appropriations				
Budget Area	Gross	Federal	State Restricted	GF/GP
Health & Human Services	\$174,367,800	\$27,500,000	\$28,964,500	\$117,903,300
TOTAL	\$174,367,800	\$27,500,000	\$28,964,500	\$117,903,300

FISCAL IMPACT

The bill provides line item appropriations of \$174.4 million Gross and \$117.9 million GF/GP for FY 2018-19. The adjustments for DHHS reflect final estimated expenditures for the Department. These adjustments include caseload costs for the Medicaid program, a caseload and fund source shortfall in the Child Care Fund (CCF) line, minor public assistance caseload adjustments, reimbursement to the Federal government for audit findings, and risk corridor payments to four Prepaid Inpatient Health Plans (PIHPs). The Medicaid caseload costs reflect final caseload adjustments as well as reduced pharmacy rebates, increased enrollment in the Children's Special Health Care Services managed care program, and increased Medicaid special financing revenue for hospitals. The CCF adjustment reflects both greater reimbursements to counties as well as the inability to use Federal Temporary Assistance for Needy Families (TANF) revenues for reimbursement. The Federal audit obligations reflect the Federal match on certain Medicaid payments identified in audits as being State responsibilities. The PIHP risk share payments reflect the State shares of costs that exceed the PIHP risk corridor defined in statute. These include \$1.1 million for Lakeshore Regional Entity, \$9.1 million for Southeast Michigan PIHP, \$2.5 million for Macomb PIHP, and \$8.0 million for Oakland PIHP.

Table 2 summarizes the details of the appropriations in the supplemental.

FY 2018-19 BOILERPLATE LANGUAGE SECTIONS-PART 2

Sec. 201. General. Records amount of total State spending and payments to local units of government.

Sec. 202. General. Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

Sec. 203. General. Allows the Legislature to intra-transfer funds via a concurrent resolution if the State Administrative Board transfers funds.

Table 2

FY 2018-19 Supplemental Appropriations		
Department/Program	Gross	GF/GP
Health and Human Services		
Child care fund base and TANF fund source	\$20,000,000	\$20,000,000
State disability assistance base and fund source	(125,500)	910,000
State supplementation base and caseload	(2,300,000)	(2,300,000)
Medicaid mental health services base funding need	14,200,000	2,200,000
Physical health Medicaid base and fund source.....	105,500,000	60,000,000
Federal audit obligations	16,400,000	16,400,000
PIHP risk share payments.....	20,693,300	20,693,300
Total Health and Human Services.....	\$174,367,800	\$117,903,300
Total FY 2018-19 Supplemental Appropriations	\$174,367,800	\$117,903,300

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.