

FY 2018-19 SUPPLEMENTAL APPROPRIATIONS
Summary: Floor Substitute
HB 4245 (H-2)



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FY 2018-19 APPROPRIATION SUMMARY

Budget Area		FY 2018-19 Year-to-Date Appropriations	FY 2018-19 Supplemental Change	% Change
Health and Human Services	Gross	\$26,358,907,900	\$174,367,800	0.7%
	GF/GP	\$4,410,375,200	\$117,903,300	2.7%
TOTAL	Gross	\$26,358,907,900	\$174,367,800	0.7%
	GF/GP	\$4,410,375,200	\$117,903,300	2.7%

Overview

House Bill 4245 contains supplemental appropriation adjustments to the Department of Health and Human Services budget for FY 2018-19. Adjustments will increase Gross appropriations by \$174.4 million and GF/GP appropriations by \$117.9 million.

Priorities initiated by the State Budget Office in Supplemental Request 2019-7, and priorities initiated by the legislature, are identified below.

<u>FY 2018-19 Supplemental Appropriation Items</u>		Appropriation Change
HEALTH AND HUMAN SERVICES		
1. Child Care Fund Caseload Adjustment		
Includes \$20.0 million GF/GP for Child Care Fund caseload costs based on actual costs exceeding May caseload consensus estimates. Child Care Fund reimburses counties for 50% of costs for care and treatment for children who are court wards and placed out of their homes, and for in-home care offered by counties approved by DHHS in lieu of out-of-home placements.	Gross GF/GP	\$20,000,000 \$20,000,000
2. Public Assistance Caseload Adjustments		
Reduces Gross by \$2.4 million (reduces GF/GP by \$1.4 million) based on actual costs for state supplementation and state disability cash assistance programs for low-income disabled, aged, and blind individuals being lower than May caseload consensus estimates.	Gross Restricted GF/GP	(\$2,425,500) (1,035,500) (\$1,390,000)
3. Medicaid Cost Adjustments		
Includes \$119.7 million Gross (\$62.2 million GF/GP) for Medicaid costs based on actual costs exceeding May caseload consensus estimates. Particularly, the amount of pharmacy rebate collections came in below what was estimated in May, and the number of children enrolled in a Children's Special Health Care Services (CSHCS) managed care plan increased after the May consensus.	Gross Federal Restricted GF/GP	\$119,700,000 27,500,000 30,000,000 \$62,200,000
4. Federal Audit Obligations		
Includes \$16.4 million GF/GP to recognize recoupment of federal funds provided to the state that audits from previous years identified as an improper use of those federal funds. Audits are primarily Statewide Single Audits from FY 2011-12 through FY 2015-16, which identified the use of federal TANF on ineligible juvenile justice expenditures, maintaining Medicaid eligibility after an individual's 21 st birthday, not discontinuing Medicaid eligibility after 12 months, and inadequate Medicaid nonemergency medical transportation documentation.	Gross GF/GP	\$16,400,000 \$16,400,000
5. Prepaid Inpatient Health Plans (PIHP) Risk Share Payments		
Includes \$20.7 million GF/GP to account for the state's risk share payments to Medicaid PIHPs when a PIHP's costs exceed 105% of the PIHP's annual Medicaid revenues. Funding would support risk share payments for FY 2016-17, FY 2017-18, and estimated risk share payments for FY 2018-19. Four of the 10 PIHPs are projected to receive a state risk share payment: Lakeshore Regional Entity, Macomb CMH, Oakland County MHA, and CMH Partnership of Southeast MI.	Gross GF/GP	\$20,693,300 \$20,693,300

FY 2018-19 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. State Spending and State Appropriations Paid to Local Units of Government

Estimates total state spending from state sources and payments to be made to local units of government.

Sec. 202. Appropriations Subject to Management and Budget Act

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. State Administrative Board Transfers

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.