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STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON
APPROPRIATIONS

MEMORANDUM

To: Rep. Bill Lippert, Chair, House Committee on Health Care

From: Rep. Mitzi Johnson, Chair, House Committee on Appropriations

Date: January 11, 2016

Subject: Provisions in the Governor's Proposed FY 2016 Budget Adjustment

The House Appropriations Committee has started work on the Governor's proposed FY 2016 Budget Adjustment bill and would like to inform you about provisions related to the Vermont Department of Health Access that fall under the jurisdiction of the Committee on Health Care. The House Appropriations Committee welcomes and appreciates your input and would like to give you the opportunity to comment on any of the proposals; however, it is not necessary to respond to all of the proposals unless you have concerns or recommendations. If you would like to respond it would be helpful if you could do so by the end of the day on January 15th.

There are several recommended changes so I am providing you with a link to the Joint Fiscal Office website that will direct you to the document that was received by House Appropriations detailing the proposals. Please let me know if you would like any additional information.

http://www.leg.state.vt.us/jfo/appropriations/fy_2016/FY2016%20BAA/DVHA%20-
%20FY2016%20BAA%20Narrative.pdf

In addition to the information that was provided in the above link is some language in the proposed bill that you may want to review relating to funding the 53rd week of Medicaid expenditures. This language is included in sections 56 and 57 below.

Sec.56. FISCAL YEAR 2016 CONTINGENT GENERAL FUND APPROPRIATIONS
(a) In fiscal year 2016, to the extent that the Commissioner of Finance and Management determines that General Fund revenues exceed the 2016 official revenue forecast and other fund receipts exceed the amounts assumed for all previously authorized fiscal year 2016 appropriations and transfers necessary to ensure the stabilization reserve is at its maximum authorized level under 32 V.S.A. § 308, appropriations are authorized in the following order:

(1) First, $10,300,000 is appropriated to the Agency of Administration in fiscal year 2016 to be carried forward for transfer in fiscal year 2017 to the Agency of Human Services Global Commitment upon determination of the Commissioner of Finance and Management of the amount necessary to fund the 53rd week of Medicaid expenditures. Any remaining general funds shall revert to the general fund for reallocation by the legislature in the fiscal year 2017 budget adjustment or the fiscal year 2018 budget process.

(b) The Commissioner of Finance and Management shall report to the Joint Fiscal Committee in July 2016 on the status of the funds appropriated in this section.

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EXPLANATION: Appropriates any remaining unallocated funds to the Agency of Administration to be allocated to the Agency of Human Services to cover expenditures related to the 53rd week of Medicaid.

Sec. 57. USE OF GENERAL FUND BALANCE RESERVE

(a) To the extent that the Commissioner of Finance and Management determines that the amount appropriated in Sec. 56(a)(1) is not sufficient to cover expenditure related to the 53rd week of Medicaid expenditures, notwithstanding 32 V.S.A. § 308c(a)(1), up to $1,000,000 of the General Fund Balance Reserve may be unreserved and appropriated to cover obligations associated with the 53rd week of Medicaid expenditures. The Commissioner of Finance and Management shall report to the Joint Fiscal Committee in July 2016 on use of the General Fund Balance Reserve.

EXPLANATION: Allows the administration to use up to $1,000,000 of the General Fund Balance Reserve to cover the 53rd week if the $10.3 million outlined in Sec. 56(a)(1) is not realized.