

Amendments to House Bill No. 2
Third Reading/Blue Copy

Requested by Senator John Cobb

For the Senate Finance Committee

Prepared by Lois Steinbeck
April 1, 2005 (3:34pm)

1. Page A-7.

Following: line 4

Insert: "e. Premium Assistance for Small Employers -- HB 667
(Restricted)

2,520,000 6,894,496 [state special fund FY06/FY07]

f. Provide Tax Relief in the Form of Tax Credits -- HB 667
1,680,000 4,596,330" [state special fund FY06/FY07]

2. Page A-7.

Following: line 13

Insert: "Funding in Premium Assistance for Small Employers -- HB
667 and Provide Tax Relief in the Form of Tax Credits -- HB
667 is contingent upon passage and approval of House Bill No.
667 and may be used only to implement House Bill No. 667."

3. Page B-2, line 13.

Strike: "~~17,391,224~~ 26,491,473" [state special fund FY06/FY07]

Insert: "241,224 241,473" [state special fund FY06/FY07]

4. Page B-2.

Following: line 17

Insert: "c. Prescription Drug Program -- SB 324 (Restricted)
7,000,000 8,750,000" [state special fund FY06/FY07]

5. Page B-4.

Following: line 17

Insert: "1. Direct-Care Worker Salary Increase From 25th to 35th
Percentile (Restricted)

475,000 475,000 1,219,445 [general fund, state special
and federal revenue FY06]

950,000 1,190,604" [state special and federal revenue FY07]

6. Page B-5, line 1.

Strike: "200,000 1,400,000" [general fund and state

Insert: "400,000 1,200,000" [special fund FY06]
[general fund and state
special fund FY06]

7. Page B-5.

Following: line 10

Insert: "h. Nonhospital Provider Rate Increase, Dental Access
858,952 858,952 5,410,263 [general fund, state special and
federal revenue FY06]

2,253,872 5,094,061 [state special and federal revenue FY07]

i. Cardiac and Pulmonary Rehabilitation

56,465 136,314 [state special and federal revenue FY06]

120,750 282,826 [state special and federal revenue FY07]

j. Flexible Funds for SED Waiver

50,000 117,112 [state special and federal revenue FY07]

k. Children's Special Health Care Clinic

25,000 50,000 [state special revenue FY06/FY07]

l. EPSDT, and Rate Increases for Hospitals, Critical Access
Hospitals, and Ambulatory Surgical Centers

272,717 658,376 [state special and federal revenue FY06]

551,350 1,291,397" [state special and federal revenue FY07]

8. Page B-5, line 12.

Strike: "47,257,025 13,301,080" [general fund and state
special fund FY06]

Insert: "47,228,777 13,329,328" [general fund and state
special fund FY06]

Strike: "48,377,984 13,227,306" [general fund and state
special fund FY07]

Insert: "47,580,403 14,024,887" [general fund and state
special fund FY07]

9. Page B-5, line 22.

Strike: "2,600,000 1,400,000" [general fund and state
special fund FY06]

Insert: "1,000,000 3,000,000" [general fund and state
special fund FY06]

10. Page B-5.

Following: line 24

Insert: "g. Provider Rate Increases -- Nursing Home and Community
Services

991,877 991,878 4,789,051 [general fund, state special
and federal revenue FY06]

2,018,663 4,728,205 [state special and federal revenue FY07]

h. Community Services HCBS Expansion

57,848 139,908 [state special and federal revenue FY06]

118,184 279,816" [state special and federal revenue FY07]

11. Page B-6.

Strike: lines 6 and 7 in their entirety

Renumber: subsequent subsection

12. Page B-6.

Following: line 12

Insert: "d. Expand Intensive Community-Based Rehabilitation

84,191 203,247 [state special and federal revenue FY06]

172,003 402,872 [state special and federal revenue FY07]

e. Develop Home and Community-Based Waiver

631,601 1,479,364" [state special and federal revenue FY07]

13. Page B-7, line 8.

Following: "Caregiver,"

Insert: "and"

Following: "Increase"

Strike: ", AND Mental Health Prescription Drugs"

14. Page B-9.

Following: line 5

Insert: "Funding in Prescription Drug Program -- SB 324 is contingent upon passage and approval of Senate Bill No. 324 and may be used only to implement Senate Bill No. 324."

15. Page B-11.

Following: line 18

Insert: "Appropriations for Disability Services Division, Health Resources Division, and Senior and Long-Term Care Division may not be expended until rate increases and services funded in Direct-Care Worker Salary Increase From 25th to 35th Percentile, Physician Rate Increase, Nonhospital Provider Rate Increase, Dental Access, Direct-Care Worker Wage Increase, and Provider Rate Increases -- Nursing Home and Community Services have been established and implemented at levels that will fully expend the appropriations beginning no later than July 15, 2005, and ending June 30, 2007. Rate increases must be structured so that funding in Direct-Care Worker Salary Increase From 25th to 35th Percentile, Physician Rate Increase, Nonhospital Provider Rate Increase,

Dental Access, Direct-Care Worker Wage Increase, and Provider Rate Increases -- Nursing Home and Community Services is expended incrementally throughout the 2007 biennium."

16. Page B-13, line 12.

Following: "time."

Insert: "The direct-care wage increase for Children's Mental Health Rate Increase must be implemented no later than October 1, 2005."

Explanation: This amendment allocates 1-149 (tobacco tax increase) state special revenue funds from DP 3202 included in the Director's Office in Department of Public Health and Human Services (DPHHS) to the various programs and services funded within that DP. There is no net change in the state revenue funds appropriated in HB 2 due to this reallocation. However, the amendment adds \$26 million in federal Medicaid funds over the biennium, which were not originally included in the executive request. The attached spreadsheet shows each change made by this amendment by the item number in this amendment.

This amendment segregates the I-149 state special revenue appropriated for the prescription drug program (SB 324) and the tax credit and premium assistance for small employers (HB 667) and makes the appropriations contingent upon passage and approval of both bills. The amendment also restricts the use of these appropriations for those programs and breaks out the amount of tax relief provided by HB 667.

The amendment transfers \$15,690,826 of I-149 funds appropriated to the Department of Public Health and Human Services to the State Auditor's Office for implementation and administration of HB 667. There is a net reduction of \$59,174 in FY07 to the amount allocated to HB 667 since the funding in DP 3202 is inadequate to support all the items funded from DP 3202 as originally represented in the executive request.

The amendment also reallocates general fund to pay for the first six months of some provider rate increases and service expansions and reduces I-149 state special revenue by a like amount.

Some appropriations supported by I-149 funds are reduced by 1/2 of the amount and planned start up for the services and provider

rates supported by these appropriations are expected to be implemented January 1, 2006. Delayed/reduced appropriations include:

1. Critical Access Hospitals to 101% of Cost
2. Hospital Provider Rate Increase (1%)
3. Ambulatory Surgical Center Rate Increase
4. EPSDT - Early, Periodic, Screening, Diagnosis, and Treatment
5. Cardiac Pulmonary Rehabilitation
6. Home and Community Based Slots - Senior Long Term Care
7. Intensive Community Rehabilitation Slots - Addictive and Mental Disorders Division

One rate increase - Children's Mental Health Provider Increase for direct-care worker wages - is reduced by 1/4 and implementation is delayed until October 1, 2005.

There is no change in general fund. However, about \$900,000 of general fund supporting expansions in the Home and Community Based Waiver services for Senior and Long Term Care is switched to I-149 funding.

There is a small increase in I-149 appropriations - about \$6,000. Federal matching funds are increased by about \$27 million.

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