

Agency Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	1,248.58	1,248.58	1,246.70	1,319.40	1,248.58	1,246.70	(1.88)	(0.15)%
Personal Services	71,028,223	75,504,630	79,830,359	82,766,560	146,532,853	162,596,919	16,064,066	10.96 %
Operating Expenses	43,684,775	50,607,319	52,247,182	53,020,891	94,292,094	105,268,073	10,975,979	11.64 %
Equipment & Intangible Assets	175,110	218,553	218,553	218,553	393,663	437,106	43,443	11.04 %
Grants	25,200,742	23,704,203	25,703,145	25,940,558	48,904,945	51,643,703	2,738,758	5.60 %
Benefits & Claims	1,199,407,681	1,281,262,063	1,370,461,853	1,466,127,243	2,480,669,744	2,836,589,096	355,919,352	14.35 %
Transfers	24,463	27,500	22,500	22,500	51,963	45,000	(6,963)	(13.40)%
Debt Service	218,583	193,907	193,907	193,907	412,490	387,814	(24,676)	(5.98)%
Total Costs	\$1,339,739,577	\$1,431,518,175	\$1,528,677,499	\$1,628,290,212	\$2,771,257,752	\$3,156,967,711	\$385,709,959	13.92 %
General Fund	346,952,875	365,334,620	398,341,451	423,936,714	712,287,495	822,278,165	109,990,670	15.44 %
State/Other Special Rev. Funds	121,719,566	130,704,643	130,653,710	133,113,799	252,424,209	263,767,509	11,343,300	4.49 %
Federal Spec. Rev. Funds	871,067,136	935,478,912	999,682,338	1,071,239,699	1,806,546,048	2,070,922,037	264,375,989	14.63 %
Total Funds	\$1,339,739,577	\$1,431,518,175	\$1,528,677,499	\$1,628,290,212	\$2,771,257,752	\$3,156,967,711	\$385,709,959	13.92 %

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Legislative Budget Analysis, B-67

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	1,248.58	1,246.70	1,246.70	0.00	1,319.40	1,319.40	0.00	0.00
Personal Services	71,028,223	81,320,674	79,830,359	(1,490,315)	85,324,173	82,766,560	(2,557,613)	(4,047,928)
Operating Expenses	43,684,775	48,514,011	52,247,182	3,733,171	51,159,392	53,020,891	1,861,499	5,594,670
Equipment & Intangible Assets	175,110	175,110	218,553	43,443	175,110	218,553	43,443	86,886
Grants	25,200,742	28,663,126	25,703,145	(2,959,981)	28,663,126	25,940,558	(2,722,568)	(5,682,549)
Benefits & Claims	1,199,407,681	1,403,796,302	1,370,461,853	(33,334,449)	1,497,001,322	1,466,127,243	(30,874,079)	(64,208,528)
Transfers	24,463	17,963	22,500	4,537	17,963	22,500	4,537	9,074
Debt Service	218,583	221,682	193,907	(27,775)	227,151	193,907	(33,244)	(61,019)
Total Costs	\$1,339,739,577	\$1,562,708,868	\$1,528,677,499	(\$34,031,369)	\$1,662,568,237	\$1,628,290,212	(\$34,278,025)	(\$68,309,394)
General Fund	346,952,875	421,713,368	398,341,451	(23,371,917)	456,119,716	423,936,714	(32,183,002)	(55,554,919)
State/other Special Rev. Funds	121,719,566	129,947,084	130,653,710	706,626	133,039,206	133,113,799	74,593	781,219
Federal Spec. Rev. Funds	871,067,136	1,011,048,416	999,682,338	(11,366,078)	1,073,409,315	1,071,239,699	(2,169,616)	(13,535,694)
Total Funds	\$1,339,739,577	\$1,562,708,868	\$1,528,677,499	(\$34,031,369)	\$1,662,568,237	\$1,628,290,212	(\$34,278,025)	(\$68,309,394)

The Health and Medicaid Services Branch 2017 biennium legislative appropriation is \$68.3 million lower than the executive budget request, including \$55.6 million less general fund. The majority of the difference - \$64.2 million - is in the benefits and claims category, which funds medical services to people who meet specific financial eligibility criteria as well as age and disability criteria in some circumstances. As noted in the agency overview, the legislature adopted lower funding levels for Medicaid and CHIP funded services compared to the executive request.

The legislative appropriation for grants is \$2.8 million lower than the executive request, primarily due to differences in federal grant amounts provided to hospitals and doctors that implement electronic health records. Personal services show the next most significant change with a reduction of \$2.6 million largely due to the legislature not approving the executive implementation of the 2013 biennium pay plan.

The difference in general fund appropriations is due to the legislative adoption of lower Medicaid services estimates, and implementation of the enhanced federal funding for CHIP. The majority of the general fund difference - \$47.7 million - is due to the impact of the enhanced federal CHIP match. The general fund reductions are partially offset by higher state matching rates for Medicaid services, which raised the general fund cost of Medicaid services by \$18.4 million for this branch over the biennium.

Agency Highlights

Medicaid and Health Services Branch Major Budget Highlights
<ul style="list-style-type: none"> • The 2017 biennium Health and Medicaid Services branch budget increases \$385.7 million over the 2015 biennium (2014 actuals and 2015 appropriated) • The majority of the growth - \$355.9 million - is in benefits and claims, which funds medical services for persons who meet financial and other eligibility criteria • Major changes include: <ul style="list-style-type: none"> ◦ Medicaid and HMK enrollment and service utilization increases ◦ A 2% annual provider rate increase ◦ A provider rate increase to raise direct care worker wages in Medicaid services administered by the Senior and Long Term Care Division ◦ Expanded community and state facility adult mental health services • The 1.88 reduction in FTE is net of an increase of 82.70 new FTE for state facility mental health expansions and reductions to comply with legislative intent to reduce FTE by the amount of the 4% vacancy savings included in the 2013 legislative appropriation

Funding

The following table shows proposed agency funding by source of authority as proposed. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Medicaid and Health Services Branch Funding by Source of Authority 2017 Biennium Budget - Medicaid and Health Services Branch					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	822,278,165	0	0	822,278,165	25.96 %
State Special Total	263,767,509	0	10,281,350	274,048,859	8.65 %
Federal Special Total	2,070,922,037	0	0	2,070,922,037	65.39 %
Proprietary Total	0	0	0	0	0.00 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$3,156,967,711	\$0	\$10,281,350	\$3,167,249,061	
Percent - Total All Sources	99.68 %	0.00 %	0.32 %		

The branch is funded predominantly with federal funds. General fund and state special revenue together are 35% of the total. Funding is discussed in greater detail in each division.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
-----General Fund-----					-----Total Funds-----			
Budget Item	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	365,164,837	365,164,837	730,329,674	88.82 %	1,431,302,999	1,431,302,999	2,862,605,998	90.68 %
PL Adjustments	16,865,243	30,506,904	47,372,147	5.76 %	65,977,801	137,833,473	203,811,274	6.46 %
New Proposals	16,311,371	28,264,973	44,576,344	5.42 %	31,396,699	59,153,740	90,550,439	2.87 %
Total Budget	\$398,341,451	\$423,936,714	\$822,278,165		\$1,528,677,499	\$1,628,290,212	\$3,156,967,711	