

FY 2024-25 HEALTH AND HUMAN SERVICES BUDGET

S.B. 767 (S-1): COMMITTEE OF THE WHOLE REC.

(as reported)



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2023-24 YEAR-TO-DATE*	FY 2024-25 COMMITTEE OF THE WHOLE REC.	CHANGES FROM FY 2023-24 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	15,855.5	15,883.5	28.0	0.2
GROSS	35,734,583,000	37,710,684,000	1,976,101,000	5.5
Less:				
Interdepartmental Grants Received	14,676,900	14,707,900	31,000	0.2
ADJUSTED GROSS	35,719,906,100	37,695,976,100	1,976,070,000	5.5
Less:				
Federal Funds	25,806,821,200	26,724,399,200	917,578,000	3.6
Local and Private.....	342,315,100	333,953,700	(8,361,400)	(2.4)
TOTAL STATE SPENDING.....	9,570,769,800	10,637,623,200	1,066,853,400	11.1
Less:				
Other State Restricted Funds.....	3,106,634,400	3,954,505,700	847,871,300	27.3
GENERAL FUND/GENERAL PURPOSE	6,464,135,400	6,683,117,500	218,982,100	3.4
PAYMENTS TO LOCALS	1,907,484,900	1,841,088,600	(66,396,300)	(3.5)

*As of February 7, 2024.

Major Boilerplate Changes from FY 2023-24 Year-to-Date:

- 1. Deletions.** The Senate removed sections 213, 233, 238, 246, 533, 535, 544, 715, 809, 851, 964, 1312, 1313, 1342, 1501, 1505, 1616, 1625, 1673, 1699, 1792, 1815, 1832, 1857, 1858, 1896, 1913, 1914, 1918, 1921, 1922, 1923, 1925, 1926, 1928, 1932, 1933, 1936, 1937, 1943, 1944, 1950, 1951, 1954, 1955, 1956, 1959, 1960, 1961, 1962, 1963, 1965, 1966, 1967, 1968, 1969, 1970, 1972, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1985, 1986, 1988, 1989, 1990, 1992, 1995, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, and 2009.
- 2. Renumbering.** The Senate renumbered Sec. 1162 to 1967 (Trauma Recovery Center Pilot), 1620(3) to 1631(2)(e) (Medicaid Prescription Copayments), 1644(2) to 1645(2) (Non-Direct Care Wage Increase), 1964 to 1924(1)(d) (Sickle Cell Center of Excellence), 1997 to 1961 (HYPE Athletics), and 1998 to 462 (Cody Rouge- Senior University).
- 3. New Sections.** The Senate added Sec. 213 (Work Project Lapse Language), 214 (Timely Payment of AG Billing), 303 (DHHS Limited Defined Benefit), 458 (Homeless Shelter Data), 459 (Housing First), 467 (Volunteer Income Tax Assistance), 512 (Foster Care Luggage), 548 (Foster Care Reimbursement), 612 (LSAM), 916 (Mosaic Counseling), 1011 (NAYA), 1061 (New Psychiatric Hospital Update), 1064 (Corrections Officer Pension), 1146 (MEDSV), 1148 Black Health Movement, 1223 (Pharmaceutical Access), 1224 (Office of Suicide Prevention), 1302 (MIHP Carseats), 1403 (Senior Nutrition), 1506 (LTC Ombudsman), 1508 (Reproductive Health Privacy), 1632 (Medicaid Orthodontic Benefit), 1691 (Mental Health in Schools), 1787 (Medicaid Speech Therapy), 1789 (FQHC Increase), 1793 (Anesthesia Medicaid Rates), 1794 (Peer Recovery Medicaid), 1795 (MiChoice Expansion), 1796 (Medicaid Office Visit Increase), 1805 (Dual Approval Nursing Home Beds), and 1921 through 1995 (New One-Time Appropriation Sections).

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FY 2023-24 Year-to-Date Appropriation	\$35,734,583,000		\$6,464,135,400	
	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
Baseline Adjustments				
1. Medicaid and Title XXI Match Rate Adjustment. The base Medicaid match rate will increase from 64.94% to 65.13% and the CHIP match rate will increase from 75.46% to 75.59%.	0	(27,046,100)	NA	NA
2. Medicaid Actuarial Soundness Adjustments. The Senate included increases for managed care entities that provide Medicaid services to reflect the Federal requirement that capitation rates be actuarially sound.	496,691,300	134,479,300	NA	NA
3. Base and Caseload. The Senate included funding for projected caseload costs in the Medicaid, Public Assistance, and Child Welfare programs.	(634,903,500)	298,131,200	NA	NA
4. Medicaid Special Financing and Provider Tax Adjustments. The Senate included adjustments to special payments to hospitals that are funded with provider tax revenue.	75,951,800	(34,730,800)	NA	NA
5. Medicaid Redetermination Savings. The Senate included savings from the resumption of Medicaid redeterminations in April 2023.	(402,517,900)	(106,887,800)	NA	NA
6. Managed Care Rule Changes. The Senate included adjustments related to a Federal Managed Care Rule that include an increase in the maximum allowable amount of Hospital Rate Adjustment payments (\$2.3 billion Gross and a reduction of \$167.1 million GF/GP), elimination of Disproportionate Share Hospital (DSH) Payments (reduction of \$233.5 million Gross and an increase of \$71.3 million GF/GP), and the utilization of GF/GP to maintain the DSH payments that went to universities (\$3.5 million Gross and GF/GP).	2,090,864,500	(92,264,400)	NA	NA
7. Other CSB Items. The Senate included funding to support other current services baseline adjustments, comprised mainly of costs related to Medicare Buy-In Compliance (\$27.3 million Gross and GF/GP), various changes in Federal authorization (\$22.5 million Gross and \$0 GF/GP), funding for the <i>Waskul</i> settlement (\$11.5 million Gross and \$4.0 million GF/GP), the expiration of the enhanced FMAP (\$0 Gross and \$57.7 million GF/GP), and third party-liability savings from Medicare Buy-In Compliance (reduction of \$53.0 million Gross and \$18.5 million GF/GP).	27,897,100	95,978,200	NA	NA

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	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
8. Removal of FY 2023-24 One-Time Projects.	(347,413,400)	(317,450,000)	0	0
9. Economic Adjustments. Included \$57,723,100 Gross and \$39,042,000 GF/GP for total economic adjustments.	57,723,100	39,042,000	NA	NA
<u>New Programs/Program Increases</u>				
10. Certified Community Behavioral Health Clinics (CCBHC). The Senate expanded the CCBHC demonstration project to additional sites.	135,642,700	25,000,000	501,837,800	81,146,200
11. TANF Swap and Program Increases. The Senate swapped \$40.0 million in TANF funding for GF/GP in child welfare staffing lines and then combined the freed up TANF with \$40.0 million in additional funds to support an increase in the FIP small child supplement and an expansion to older children (\$24.5 million Gross and \$0 GF/GP), a Housing First Initiative (\$20.0 million Gross and \$0 GF/GP), an extension of FIP time limits (\$12.8 million Gross and \$0 GF/GP), and child welfare housing assistance (\$10.8 million Gross and \$0 GF/GP).	80,000,000	40,000,000	NA	NA
12. Medicaid Reimbursement Rate Increases. The Senate increased rates for a number of Medicaid services including those provided at Federally Qualified Health Centers (\$54.7 million Gross and \$14.5 million GF/GP), office visits (\$40.2 million Gross and \$10.0 million GF/GP), ABA Behavioral Technicians (\$34.4 million Gross and \$12.0 million GF/GP), and an increase to private duty nursing rates (\$8.1 million Gross and \$2.8 million GF/GP).	194,906,900	49,068,500	NA	NA
13. Other New Programs and Program Increases. The Senate included other funding increases, mainly comprised of an increase to foster care administration and maintenance payment rates (\$15.0 million Gross and GF/GP), elimination of the Medicaid birth expenses recovery program (\$13.7 million Gross and \$4.8 million GF/GP), creation of a limited hybrid pension for DHHS workers (\$12.0 million Gross and GF/GP), implementation of the MI Healthy Life initiatives (\$7.0 million Gross and \$2.5 million GF/GP), increase to the HMHB program for Doula Care and the Medicaid MIHP (\$5.3 million Gross and \$1.5 million GF/GP), and an increase for 2-1-1 (\$5.0 million Gross and GF/GP).	87,472,000	66,906,000	NA	NA

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	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Eliminations/Reductions</u>				
14. County Reimbursement for Juvenile Justice Services to 17 Year-Olds. The Senate eliminated the Raise the Age Fund in accordance with the provisions of PA 297 of 2023 (\$13.2 million Gross and GF/GP) and recognized a reversion of the Child Care Fund reimbursement rate for 17-year olds from 100% to 50% (\$9.0 million Gross and GF/GP).	(22,150,000)	(22,150,000)	0	0
15. Office of Inspector General Recoveries. The Senate added 14.0 FTEs and assumed savings from the audits performed by the increased staffing.	(17,094,600)	(3,500,000)	NA	NA
16. Other Program Reductions. The Senate included other funding reductions comprised of savings from early exit from FAP reinvestment oversight (\$3.7 million Gross and GF/GP), and removal of funding for Cherry Health (\$1.5 million Gross and GF/GP).	(6,719,200)	(6,719,200)	NA	NA
<u>One-Time Appropriations</u>				
17. Continuation of FY 2023-24 One-Time Projects. The Senate maintained current year projects including multicultural integration funding (\$8.6 million Gross and GF/GP), and CVI grants (\$5.0 million Gross and \$0 GF/GP).	13,850,100	13,850,100	13,850,100	13,850,100
18. New FY 2024-25 One-Time Projects. The Senate included funding to support water affordability (\$24.8 million Gross and \$0 GF/GP), creation of a MEAP stabilization fund (\$24.8 million Gross and \$0 GF/GP), juvenile justice capital investment pool (\$14.0 million Gross and GF/GP), a trauma recovery center pilot (\$8.0 million Gross and GF/GP), and medical debt relief (\$8.0 million Gross and GF/GP).	145,900,100	82,900,100	145,900,100	82,900,100
<u>Other</u>				
19. Other Items. The Senate recognized savings from the offset of GF/GP funding using available Health and Safety Fund revenue (\$0 Gross and \$4.6 million GF/GP), and recognition of GF/GP savings from a Federal rule change allowing Title IV-E reimbursement for unlicensed caregivers (\$0 Gross and \$10.0 million GF/GP).	0	(15,625,000)	NA	NA
Total Changes.....	\$1,976,101,000	\$218,982,100		
FY 2024-25 COMMITTEE OF THE WHOLE REC.	\$37,710,684,000	\$6,683,117,500		

Date Completed: 5-8-24

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This Analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.