



OFFICE OF MANAGEMENT & BUDGET

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MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Louis P. DiPalma, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer

Date: May 24, 2023

Subject: Amendments to FY 2024 Appropriations Act (23-H-5200)

The Governor requests that several budget article amendments be made to Article 9 Relating to Medical Assistance under the FY 2024 Appropriations Act as follows:

- Amendment 1: The amendments include changes to the new hospital licensing fee tax tiers proposed in the original Governor’s recommended budget reflecting feedback and recommendations from the Centers for Medicare & Medicaid Services (CMS). The amendments reduce the composite tax rate paid by hospitals to 5.78%, necessitating changes to the previously recommended tax rates at each of the new tiers. The Governor requests the following changes:

Governor’s January Recommendation

Tier	Inpatient Tax Rate	Outpatient Tax Rate	Included Hospital Types
I	13.54%	13.73%	<ul style="list-style-type: none"> • Hospitals that do not meet Tiers II and III criteria
II	2.71%	2.75%	<ul style="list-style-type: none"> • Hospitals with High Medicaid/Uninsured Cost Hospitals • Independent Hospitals not part of a Multi-Hospital System
III	1.35%	1.37%	<ul style="list-style-type: none"> • Medicare Designated “Low Volume” Hospitals • Rehabilitative Hospitals
IV	5.42%	5.42%	<ul style="list-style-type: none"> • State-government owned hospitals

Governor's Requested Amendment

Tier	Inpatient Tax Rate	Outpatient Tax Rate	Included Hospital Types
I	13.12%	13.30%	<ul style="list-style-type: none">Hospitals that do not meet Tiers II and III criteria
II	2.63%	2.66%	<ul style="list-style-type: none">Hospitals with High Medicaid/Uninsured Cost HospitalsIndependent Hospitals not part of a Multi-Hospital System
III	1.31%	1.33%	<ul style="list-style-type: none">Medicare Designated "Low Volume" HospitalsRehabilitative Hospitals
IV	5.25%	5.25%	<ul style="list-style-type: none">State-government owned hospitals

- Amendment 2: Amend Article 9 – Relating to Government Reform and Reorganization to seek additional authority to make permanent current 1115 Global Waiver Appendix K authority for the private community developmentally disabled services program.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

JC: 23-Amend-18
Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Brian Daniels, Interim Director, Department of Administration; Director, Office of Management and Budget

H 5200, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2024

Article 9 – Relating to Medical Assistance

Page 177, lines 32 and 33, strike “thirteen and fifty-four hundredths percent (13.54%)” and replace with “thirteen and twelve hundredths percent (13.12%)”

Page 178, lines 1 and 2, strike “thirteen and seventy-three hundredths percent (13.73%)” and replace with “thirteen and thirty hundredths percent (13.30%)”

Page 178, lines 6 and 7, strike “two and seventy-one hundredths percent (2.71%)” and replace with “two and sixty-three hundredths percent (2.63%)”

Page 178, lines 9 and 10, strike “two and seven-five hundredths percent (2.75%)” and replace with “two and sixty-six hundredths percent (2.66%)”

Page 178, lines 14 and 15, strike “one and thirty-five hundredths percent (1.35%)” and replace with “one and thirty-one hundredths percent (1.31%)”

Page 178, line 17 and 18, strike “one and thirty-seven hundredths percent (1.37%)” and replace with “one and thirty-three hundredths percent (1.33%)”

Page 178, line 22, strike “five and forty-two hundredths percent (5.42%)” and replace with “five and twenty-five hundredths percent (5.25%)”

Page 178, line 30, strike “on a quarterly basis and”

Section 5, Page 194, Insert After Line 12 and Renumber Subsequent Sections: (d) Permanent Appendix K Authority for Parents and Other Relatives to Provide Day and Community-Based Services Through Self-Directed HCBS Programs. The Secretary of the Executive Office is authorized to pursue and implement any waiver amendments, state plan amendments, and/or changes to the applicable department’s rules, regulations and procedures required to implement permanent current 1115 Global Waiver Appendix K Authority to allow parents and other relatives of adult members with disabilities to be reimbursed for day and community-based services provided to adults with disabilities who participate in Self-Directed Home and Community-Based Services Programs.