

SUBCOMMITTEE RECOMMENDATION

Item 9: Department of Human Services Topic: Fall 2022 Rebalance

To:	Emergency Board Full Committee
From:	Human Services Subcommittee
Carrier:	Representative Nosse

The Human Services Subcommittee recommends that the Emergency Board acknowledge receipt of the Department of Human Services' financial status report, with the understanding the Legislative Fiscal Office will develop recommendations for budgetary changes to be included in a budget reconciliation bill during the 2023 legislative session.

DHS's second budget rebalance report of the biennium identifies over \$150 million in additional General Fund costs, including \$49 million for cost per case increases, \$34 million for provider rate increases, \$17.3 million for hospital decompression activities, and \$9.8 million for personal services costs related to eligibility processing.

These costs are offset by an estimated \$376 million in General Fund savings, resulting primarily from the 6.2% enhanced federal Medicaid match associated with the public health emergency, and savings in the Child Welfare program. The report also estimates net caseload savings of \$21.4 million. The agency proposes setting aside \$52 million in General Fund savings for unanticipated costs in the last six months of the biennium.

The overall impact of these and other reported changes is net General Fund savings of \$174.5 million, and a need to increase Other Funds expenditure limitation by \$51.3 million, and Federal Funds expenditure limitation by \$365.7 million.

The Subcommittee recommends approval.