



ARRA FUNDS APPROVAL – DEPARTMENT OF HEALTH

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: RUSSELL FRANSEN

ISSUE BRIEF

SUMMARY

The Legislature expressed interest in reviewing the federal stimulus or *American Reinvestment and Recovery Act* (ARRA) money separate from the annual review of federal funds. This brief fulfills that request. This brief also reviews the \$20,324,600 ARRA money spent in FY 2015 and ARRA money previously approved for FY 2016. The Analyst recommends approval of the increase in ARRA funding of \$367,000 in FY 2016 and \$11,975,000 for FY 2017 as well as the proposed intent language associated with the FY 2017 increase.

LEGISLATIVE ACTION

The Executive Appropriations Committee requests that each subcommittee decide whether or not to accept new ARRA funding for FY 2016 and FY 2017.

1. The Analyst recommends that the Social Services Appropriations Subcommittee approve increased ARRA funds of \$367,000 in FY 2016 and \$11,975,000 for FY 2017 for the Department of Health.
2. The Analyst recommends the adoption of the intent language starting on page one for all line items with new ARRA funding in FY 2017 except Medicaid Optional Services.

DISCUSSION AND ANALYSIS

Limitations on ARRA Spending

Intent language put the following conditions on all of the money passed in FY 2015 and FY 2016 (except for Medicaid Optional Services):

All General Funds appropriated to the Department of Health - (line item name) line item are contingent upon expenditures from Federal Funds – American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for (insert year). If expenditures in the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act in (insert year), the Division of Finance shall reduce the General Fund allocations to the (line item name) line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

For FY 2017 the Analyst recommends adoption of the following language for every line item where new ARRA money is anticipated except for Medicaid Optional Services:

All General Funds appropriated to the Department of (agency name) - (line item name) line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for (insert year). If expenditures in the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act in (insert year), the Division of Finance shall reduce the General Fund allocations to the (line item name) line item by

one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

FY 2015 Stimulus Funds – Spent vs Approved

The table below details the ARRA money approved vs the ARRA money spent in FY 2015.

ARRA in FY 2015	Approved	Spent	Higher/(Lower) Than Anticipated
Medicaid Optional Services	\$35,365,000	\$19,571,700	(\$15,793,300)
Medicaid and Health Financing	\$833,000	\$762,900	(\$70,100)
Medicaid Mandatory Services	\$0	(\$10,000)	(\$10,000)
Total	\$36,198,000	\$20,324,600	(\$15,873,400)

FY 2015 Stimulus Funds – How Was the Money Used?

The money in FY 2015 was used for the following:

1. Medicaid Optional Services – **Health Information Technology** – \$19,571,700 for payments to health care providers for adopting electronic health care records and achieving meaningful use.
2. Medicaid and Health Financing – **Health Information Technology** – \$762,900 for expanding participation in and sharing of electronic health records.
3. **Medicaid Mandatory Services** – negative (\$10,000) for a recovery by the Office of Inspector General from payments for electronic health records of adaptation and meaningful use.

FY 2016 Stimulus Funds – Previously Approved

1. Medicaid Optional Services – **Health Information Technology** – \$10,775,000 for payments to health care providers for adopting electronic health care records and achieving meaningful use.
2. Medicaid and Health Financing – **Health Information Technology** – \$833,000 for expanding participation in and sharing of electronic health records.

Stimulus Funds in FY 2016 and FY 2017 – Requesting Approval

3. Medicaid Optional Services – **Health Information Technology** – \$10,775,000 for payments to health care providers for adopting electronic health care records and achieving meaningful use.
4. Medicaid and Health Financing – **Health Information Technology** – \$367,000 in FY 2016 and \$1,200,000 in FY 2017 for expanding participation in and sharing of electronic health records.

The Department of Health requests a total of new spending authority for ARRA funds of \$367,000 in FY 2016 and \$11,975,000 for FY 2017.