



Legislative Fiscal Bureau

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July 27, 2005

TO: Representative Kitty Rhoades
Room 320 East, State Capitol

FROM: Charles Morgan, Program Supervisor

SUBJECT: Medical Assistance Trust Fund Condition Statements

In response to your request, I am providing two condition statements for the medical assistance (MA) trust fund in the 2005-07 biennium, which is presented in the attachment to this memorandum. The first condition statement identifies projected revenues and expenditures from the trust fund under the 2005-07 budget bill, as passed by the Legislature (Enrolled AB 100). The second condition statement identifies projected revenues and expenditures from the trust fund under the bill as signed by the Governor (Act 25).

Two of the Governor's partial vetoes affected the amount of revenues that are projected to be deposited to the MA trust fund. First, the Governor's partial veto deletes the provision in the bill that would have deposited all revenue from the nursing home bed assessment to the MA trust fund. In his veto message, the Governor indicates that \$13,800,000 annually will continue to be deposited to the general fund, and the rest of the nursing home bed assessment revenue will be deposited to the MA trust fund. This veto partial veto would reduce revenue to the MA trust fund by \$27,600,000 in the 2005-07 biennium.

Second, the Governor vetoed a provision in the enrolled bill that would transfer \$268,058,100 from the transportation fund to the MA trust fund in 2005-06. In his veto message, the Governor indicates that he is requesting the Department of Administration Secretary to transfer \$235,449,000 from the general fund to the MA trust fund, in 2005-06, which is \$32,609,100 less than the amount that would have been transferred under Enrolled AB 100.

Together, these two partial vetoes would create a potential revenue shortfall of \$60,209,100 to the MA trust fund in the 2005-07 biennium. In his veto message, the Governor indicates that he is directing the Secretary of the Department of Health and Family Services to seek out opportunities to maximize federal revenues for the MA program, and that there are several projects under

development to increase federal revenue for the MA program, which will be **identified once** appropriate federal and state approvals are secured.

Please contact me if you require additional information on this matter.

CM/sas
Attachment

ATTACHMENT

Medical Assistance Trust Fund Condition Statement

Enrolled AB 100

	<u>2005-06</u>	<u>2006-07</u>
Opening Balance	\$0	\$0
Revenues		
Nursing Home Bed Assessment	\$45,500,000	\$43,500,000
Nursing Home IGT	47,000,000	43,000,000
Transfer from Transportation Fund	268,058,100	0
Residential Care Centers Initiative	23,424,300	23,424,300
Milwaukee Mental Health Complex Initiative	<u>416,900</u>	<u>413,900</u>
Total Revenues	\$384,399,300	\$110,338,200
Total Available	\$384,399,300	\$110,338,200
Expenditures		
MA Benefits (4)(w)	\$384,399,300	\$110,338,200
Closing Balance	\$0	\$0

Act 25

	<u>2005-06</u>	<u>2006-07</u>
Opening Balance	\$0	-\$46,409,100
Revenues		
Nursing Home Bed Assessment	\$31,700,000	\$29,700,000
Nursing Home IGT	47,000,000	43,000,000
Transfer from Transportation Fund	235,449,000	0
Residential Care Centers Initiative	23,424,300	23,424,300
Milwaukee Mental Health Complex Initiative	<u>416,900</u>	<u>413,900</u>
Total Revenues	\$337,990,200	\$96,538,200
Total Available	\$337,990,200	\$50,129,100
Expenditures		
MA Benefits (4)(w)	\$384,399,300	\$110,338,200
Closing Balance	-\$46,409,100	-\$60,209,100