



**Bulletin #05-21**

**Thursday, June 16, 2005**

## **HOUSE BUDGET INCLUDES MEDICAID RELIEF FOR COUNTIES**

The House version of the state budget, approved this week, includes a \$15 million appropriation to provide relief for counties facing increased Medicaid costs. The funds, contained in a one-time or non-recurring appropriation, would be allocated to across-the-board relief for all counties (50 percent or \$7.5 million) and to targeted relief for those counties in which 20 percent or more of citizens are eligible for Medicaid.

This appropriation marks a significant step in achieving the Association's top priority legislative goal, because it benefits all counties and provides targeted relief for those counties most impacted by Medicaid responsibilities.

The Association's goal, adopted by the members at our Legislative Goals Conference in January, is in three parts:

- Cap county costs at current figures or some predictable variation thereof;
- Provide targeted relief to those counties with a disproportionate Medicaid burden; and
- Begin phasing out county participation in paying Medicaid service costs.

Action by the House on its version of the budget prepares the way for representatives or "conferees" from the House and Senate to resolve differences between the two budgets. The Medicaid appropriation described above was not in the budget approved by the Senate. The House budget would provide a 2.5 percent salary increase for state employees. The Senate's bill provided a 2 percent salary increase. The House bill would appropriate \$30 million in low wealth school supplemental funding. Both bills provide funding for new school nurses: the Senate bill would fund 50 positions and the House Bill would fund 30. The House bill also provides for a 25-cents-per-pack increase in cigarette taxes (from 5 cents to 30 cents). The Senate budget calls for a 35-cents-per-pack increase.

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