

H1016 Medicaid Relief Components

2007-08

- State assumes 25% of county Medicaid costs beginning 10/1/07, at projected state cost of \$86.2 million
 - 25% set against last 8 months' payments (expenses incurred on or after 10/1)
- Counties forgo a portion of their ADM Fund monies, \$44.7 million
 - Medicaid relief > expected county ADM, loss in ADM fund = 60% of ADM fund
 - Medicaid relief < expected county ADM, loss in ADM fund = 60% of Medicaid relief
 - Relief targeted to replace lost ADM funds
- Net gain to counties = \$41.5 million
- Net cost to state = \$41.5 million
- No impact on cities

2008-09

- State assumes 50% of county Medicaid costs beginning 7/1/08, for expenses incurred on or after, at projected state cost of \$271.2 million
 - State resumes taxing of annuities, \$49.4 million
 - State gives 5% refundable EITC, limited to head of household or married filing jointly
- Counties and cities forgo ¼ cent per capita of Art. 44 beginning 10/1/08, \$184 million
 - Counties and cities receive last quarterly sales tax payment, \$61.3 million
 - Art. 44 transitional hold harmless kept in place
- Net gain to counties = \$148.4 million
- Net cost to state without tax changes = \$87 million
- Counties replace city sales tax losses including growth, \$36.1 million
 - DoR reduces county Art. 39 allocation by city hold harmless amount & sends directly to cities

2009-10

- State assumes 100% of county Medicaid costs beginning 7/1/09, for expenses incurred on or after, at projected state cost of \$593.2 million
 - State continues taxing of annuities, \$52.4 million
 - State continues 5% limited refundable EITC
- Counties and cities lose all of Art. 44 beginning 10/1/09, \$460.9 million
 - Counties and cities receive last quarterly sales tax payment, \$64.2 million
- Art. 42 ½ per capita converted to point of delivery
- Local sales 2% - 1.5% point of delivery, .5% per capita
- State sales taxes used to hold counties harmless if countywide sales taxes, including municipal hold harmless, exceed Medicaid savings, \$6.4 million
 - 90% of estimated hold harmless distributed by March
 - Remaining trued up by August 15
 - Statutory hold harmless until 2017, automatic payment from state sales taxes
- Net gain to counties = \$202.9 million
- Net cost to state without tax changes = \$138.7 million
- Counties replace city sales tax losses including growth, \$116.6 million

2010-11

- State assumes 100% of county Medicaid costs for expenses incurred on or after, at projected state cost of \$672.5 million
 - State continues taxing of annuities, \$55.5 million
 - State continues 5% limited refundable EITC
- Counties and cities lose all of Art. 44, \$563.4 million
- Local sales 2% - 1.5% point of delivery, .5% per capita
- State sales taxes used to hold counties harmless if countywide sales taxes, including municipal hold harmless, exceed Medicaid savings, \$24.3 million
 - 90% of estimated hold harmless distributed by March
 - Remaining trued up by August 15
- Net gain to counties = \$133.4 million
- Net cost to state without tax changes = \$133.4 million
- Counties replace city sales tax losses including growth, \$165.6 million

2011-12

- State assumes 100% of county Medicaid costs for expenses incurred on or after, at projected state cost of \$733 million
 - State continues taxing of annuities, \$58.8 million
 - State continues 5% limited refundable EITC
- Counties and cities lose all of Art. 44, \$592.6 million
- Local sales 2% - 1.5% point of delivery, .5% per capita
- State sales taxes used to hold counties harmless if countywide sales taxes, including municipal hold harmless, exceed Medicaid savings, \$20.8 million
 - 90% of estimated hold harmless distributed by March
 - Remaining trued up by August 15
- Net gain to counties = \$161.2 million
- Net cost to state without tax changes = \$161.2 million
- Counties replace city sales tax losses including growth, \$174.2 million