

H1473 Medicaid Relief Components

(See pages 105, 304-311 of budget bill)

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, \$44.8 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
- State sales taxes used to hold counties harmless if lost revenues exceed Medicaid savings; all counties guaranteed at least \$500,000, \$19.3 million
 - State assures all counties benefit by at least \$500,000
 - 90% of estimated hold harmless distributed by March
 - Remaining trued up by August 15
- No impact on cities
- ***Net gain to counties = \$60.7 million***

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
- 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
- State sales taxes used to hold counties harmless if countywide sales taxes, including municipal hold harmless, exceed Medicaid savings; all counties guaranteed at least \$500,000, \$4.9 million
 - State assures all counties benefit by at least \$500,000
 - 90% of estimated hold harmless distributed by March
 - Remaining trued up by August 15
- Counties replace city sales tax losses including growth, \$34.7 million
 - DoR reduces county Art. 39 allocation by city hold harmless amount & sends directly to cities
- ***Net gain to counties = \$153.3 million***

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
- Counties and cities forgo 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; all counties guaranteed at least \$500,000, \$14.4 million
 - 90% of estimated hold harmless distributed by March
 - Remaining trued up by August 15
 - State assures all counties benefit by at least \$500,000
- Counties replace city sales tax losses including growth, \$106.3 million
- ***Net gain to counties = \$210.9 million***

2010-11

- State assumes 100% of county Medicaid costs for expenses incurred on or after, at projected state cost of \$670.7 million
- Counties and cities forgo 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; all counties guaranteed at least \$500,000, \$41.9 million
 - State assures all counties benefit by at least \$500,000
 - 90% of estimated hold harmless distributed by March
 - Remaining trued up by August 15
- Counties replace city sales tax losses including growth, \$153.1 million
- *Net gain to counties = \$149.2 million*

2011-12

- State assumes 100% of county Medicaid costs for expenses incurred on or after, at projected state cost of \$744.5 million
- Counties and cities forgo 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; all counties guaranteed at least \$500,000, \$32.2 million
 - State assures all counties benefit by at least \$500,000
 - 90% of estimated hold harmless distributed by March
 - Remaining trued up by August 15
- Counties replace city sales tax losses including growth, \$161.1 million
- *Net gain to counties = \$184.1 million*

H1473 Additional Revenue Authority Components

(See pages 311-313)

- Counties authorized to levy either .4% land transfer tax or ¼ cent point of delivery sales tax, subject to voter approval
- Statewide land transfer = \$310 million per 2005-06 county deed stamp revenues (4 x current deed stamp amount)
- Statewide ¼ cent sales tax, excluding food, = \$250 million
- No required municipal distribution and no earmarks on dollars