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To: Bryan Kost <kostbr@scdhhs.gov>
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Jennifer Lynch <LYNCHJEN@scdhhs.gov>
Date: 2/6/2013 2:53:29 PM
Subject: RE: DHHS Medicaid reserve fund proviso language

OK, thanks. Here's my 5-minute take...

I made a couple edits for your consideration. Red/strikethrough would be deletions, and the blue/caps language would be insertions. My rationale:

- "All unexpended state funds" would be ALL unexpended state funds, all across the government. So I tried to clarify that it's specifically unexpended money appropriated to HHS.
- Changed "a fiscal year" to "current fiscal year" to try and keep the amendment in-order.
- Made it clear that settlements and recoupments can be transferred at any time. The transfers in the prior sentence are only at the end of the FY...wanted to be clear that that temporal restriction wouldn't apply here.
- Highlighted two sentences – I didn't tinker with them, but I think we need to be clearer about it being 3% of a more specific amount. "Total appropriation authorized" could be General only, General plus Other...just HHS' appropriations...ALL appropriations, etc.
- Put a 30-day clock on the quarterly reports. I think some of the comparable reporting requirements (like for transfers at OEPP) incorporate similar language.

CLS

There is created in the State Treasury a fund distinct from the General Fund of the State and all other funds entitled the Medicaid Reserve Fund (Fund). The General Assembly may make direct appropriations to this Fund. All unexpended state funds ~~APPROPRIATED TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES MAY BE TRANSFERRED~~ at the end of a fiscal year may be transferred by the Department of Health and Human Services to the Fund AT THE END OF THE CURRENT FISCAL YEAR. Further, the Department of Health and Human Services may AT ANY TIME transfer any program settlements, recoupments and recoveries to the Fund. Money in the Fund shall be used for the Medicaid Program. All unexpended funds in the Fund and any interest accrued by the Fund shall remain in the Fund and be carried forward into the current fiscal year. The Fund shall not exceed three percent of the total appropriation authorized for the current fiscal year. Amounts in excess of three percent will be remitted to the General Fund. WITHIN 30 DAYS OF THE CLOSE OF EACH QUARTER, the Director of the Department of Health and Human Services shall report quarterly balances of the fund to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee, ON THE BALANCE OF THE FUND, withdrawals from the Fund and the use of the funds withdrawn, and deposits to the funds and the source of the deposit funds.

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From: Bryan Kost [mailto:kostbr@scdhhs.gov]
Sent: Wednesday, February 06, 2013 2:24 PM
To: Soura, Christian
Cc: Ruth Johnson; Byron Roberts; Deirdra Singleton; Jennifer Lynch
Subject: DHHS Medicaid reserve fund proviso language

Sir Christian,

We want to submit this language to strengthen our position in regard to reserves, yet offer solace to legislators that the reserve fund won't be used willy-nilly. In our budget presentation last night, we told legislators this was coming – and they seemed agreeable, but they've not seen the actual language yet.

You okay with this language?

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