

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.8, H80

APPROPRIATION:
Tobacco Settlement Fund - Uncompensated Care

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$25,278	\$24,943	\$25,293
Federal Funds Total	\$27,188	\$27,241	\$27,160
Federal Sources Itemized			
<i>Medical Assistance - Uncompensated Care</i>	\$27,188	\$27,241	\$27,160
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$52,466	\$52,184	\$52,453

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	<u>\$0</u>
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Tobacco Settlement Fund - Uncompensated Care			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$25,278	\$24,943	\$25,293	\$350	1.40%
Federal Funds	\$27,188	\$27,241	\$27,160	(\$81)	-0.30%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$52,466	\$52,184	\$52,453	\$269	0.52%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$25,278	\$24,943	\$25,293	\$350	1.40%
Federal Funds	\$27,188	\$27,241	\$27,160	(\$81)	-0.30%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$52,466	\$52,184	\$52,453	\$269	0.52%

APPROPRIATION:

Tobacco Settlement Fund - Uncompensated Care

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$25,835	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2014	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA**Derivation of Request:**

The Fiscal Year 2016-2017 Governor's Executive Budget recommends that \$25.293 million be allocated from the Tobacco Settlement Fund for payments under the Uncompensated Care Payment Program.

Legislative Citations:

35 P.S. § 5701.101 et seq.

Disbursement Criteria:

This appropriation provides for annual payments to qualifying hospitals for a portion of the hospitals' uncompensated costs for services provided to uninsured individuals. It also provides for payment of qualifying extraordinary expenses for services rendered to uninsured patients. Disbursement is administered by the Office of Medical Assistance Programs. Of the total appropriation, 85 percent is allocated for uncompensated care and 15 percent is allocated for extraordinary expenses.

Hospitals must have a plan in place to treat the uninsured. Eligibility for payment is based on criteria specified in Act 77. Qualifying hospitals receive a pro rata share of the uncompensated care allocation based on the methodology specified in the Act. For a hospital to receive payment for extraordinary expenses, specified criteria must be met as outlined in the Act. Although a hospital may qualify for both the uncompensated care payment and the extraordinary expense payment, they are required to choose which payment they wish to receive.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Tobacco Settlement Fund - Uncompensated Care

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Reflects an increase in available Uncompensated Care funds in Fiscal Year 2016-2017:	\$350	\$170	\$0	\$520
2. Impact of the decrease in the Federal Medical Assistance Percentage from 52.01 percent to 51.78 percent effective October 1, 2016:	\$0	(\$251)	\$0	(\$251)
TOTAL	<u>\$350</u>	<u>(\$81)</u>	<u>\$0</u>	<u>\$269</u>

TOBACCO SETTLEMENT FUND - UNCOMPENSATED CARE

PROGRAM STATEMENT

The Tobacco Settlement Act of 2001 (Act 77) established the Uncompensated Care program to provide funding to hospitals in Pennsylvania for the cost of care provided to uninsured patients or those who are unable to pay for services rendered by the hospital. The payments are made annually to qualified acute, psychiatric and rehabilitative care hospitals.