



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

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MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Louis P. DiPalma, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer *John M. Codega Jr.*

Date: May 27, 2025

Subject: Amendments to FY 2025 Revised Appropriations Act (25-H-5075) and FY 2026 Appropriations Act (25-H-5076)

Governor's Budget Amendment #26

The Governor requests that several amendments be made to Article 1 of the FY 2025 Revised Appropriations Act as well as Articles 1 and 8 of the FY 2026 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Revised Appropriations in Support of FY 2025, and in Article 1, Relating to Appropriations in Support of FY 2026, as well as new authorizing language for a Medicaid State Plan Amendment within Article 8, Relating to Medical Assistance.

The amendments proposed include financing and requested authority for a new Medicaid reimbursement rate structure in support of a 21-bed long-term care behavioral healthcare inpatient unit at Our Lady of Fatima Hospital effective July 1, 2025. Projected third quarter report savings from the Department of Human Services Budget are recognized including turnover savings as well as savings projected in the CNOM-funded At-Home Cost Share program within the Office of Healthy Aging.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Jonathan Womer, Director of Administration
Brian Daniels, Director, Office of Management and Budget

2025-H-5075

ARTICLE 1, RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2025

SECTION 1, REVISED APPROPRIATIONS IN SUPPORT OF FY 2025

Department of Human Services

Decrease General Revenue in the Individual and Family Support Program, Page 21 Line 2, by \$3,280,000 from \$48,148,213 to \$44,868,213. This amendment seeks to recognize third quarter report projected turnover savings (25-DHS1).

Decrease General Revenue in the Office of Healthy Aging Program, Page 22 Line 12, by \$1,000,000 from \$14,364,444 to \$13,364,444. This amendment seeks to recognize third quarter report partial projected savings in the Office's CNOM-funded At-Home cost share program (25-DHS2).

Decrease Federal Funds in the Office of Healthy Aging Program, Page 22 Line 18, by \$1,336,449 from \$19,393,298 to \$18,056,849. This amendment seeks to recognize the federal share of third quarter report partial projected savings in the Office's CNOM-funded At-Home cost share program (25-DHS2).

2025-H-5076

ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2026

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2026

Executive Office of Health and Human Services

Increase General Revenue in the Hospitals Program, Page 13 Line 2, by \$4,280,000 from \$125,666,740 to \$129,946,740. This amendment utilizes third quarter report projected savings within the Department of Human Services to finance a new Medicaid rate structure in support of a hospital unit at Our Lady of Fatima Hospital to treat long-term care behavioral healthcare patients (26-EOHHS1).

Increase Federal Funds in the Hospitals Program, Page 13 Line 10, by \$5,720,000 from \$269,959,756 to \$275,679,756. This amendment recognizes the federal share of third quarter report projected savings within the Department of Human Services to finance a new Medicaid rate structure in support of a hospital unit at Our Lady of Fatima Hospital to treat long-term care behavioral healthcare patients (26-EOHHS1).

2025-H-5076

ARTICLE 8, RELATING TO MEDICAL ASSISTANCE

SECTION 9

Page 232, After Line 21: Insert the following new clause "(f)" and re-label subsequent clause accordingly.

"Authority to establish a rate methodology in support of a long-term care behavioral healthcare inpatient unit at Our Lady of Fatima Hospital. The secretary of the executive office of health and human services will pursue and implement any state plan amendments needed to establish a rate methodology in support of a 21-bed long-term care behavioral healthcare inpatient unit at Our Lady of Fatima Hospital."

Summary of Governor's Article 1 Amendments to FY 2025 Revised Appropriations Act (25-H-5075)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (25-AGENCY#)
FY 2025 Revised Expenditures (Original Governor's Recommend)	5,610,670,520	5,660,375,717	490,989,070	3,171,146,177	14,933,181,484	
March 17, 2025 Amendments	28,703	(4,120,586)	(705,042)	55,477	(4,741,448)	
March 18, 2025 Amendments	-	-	-	220,862	220,862	
April 18, 2025 Amendments	-	-	-	(5,070,252)	(5,070,252)	
April 25, 2025 Amendments	(4,275,958)	805,728	(1,856,214)	-	(5,326,444)	
May 22, 2025 Amendments	11,544,957	9,586,092	8,821,442	(217,471)	29,735,020	
Department of Human Services						
<i>Q3 Turnover Projected Savings</i>	(3,280,000)				(3,280,000)	25-DHS1
<i>Q3 OHA CNOM Projected Savings</i>	(1,000,000)	(1,336,449)			(2,336,449)	25-DHS2
Total	(4,280,000)	(1,336,449)	-	-	(5,616,449)	
Grand Total	5,613,688,222	5,665,310,502	497,249,256	3,166,134,793	14,942,382,773	

Summary of Governor's Article 1 Amendments to FY 2026 Appropriations Act (25-H-5076)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (26-AGENCY#)
FY 2026 Expenditures (Original Governor's Recommend)	5,743,054,676	5,090,207,928	446,197,209	2,936,594,811	14,216,054,624	
March 17, 2025 Amendments	18,159	2,630,687	1,735,730	-	4,384,576	
March 18, 2025 Amendments	-	-	-	-	-	
April 18, 2025 Amendments	-	-	-	4,767,096	4,767,096	
April 25, 2025 Amendments	(3,635,000)	8,307,481	2,056,214	-	6,728,695	
April 29, 2025 Amendments	225,000	225,000	-	-	450,000	
May 21, 2025 Amendments	-	-	-	5,000,000	5,000,000	
May 22, 2025 Amendments	33,478,872	(13,473,066)	(287,602)	272,294	19,990,498	
Executive Office of Health and Human Services						
<i>Long-Term Care Behavioral Healthcare Inpatient Unit - Fatima Hospital</i>	4,280,000	5,720,000	-	-	10,000,000	26-EOHHS1
Total	4,280,000	5,720,000	-	-	10,000,000	
Grand Total	5,777,421,707	5,093,618,030	449,701,551	2,946,634,201	14,267,375,489	