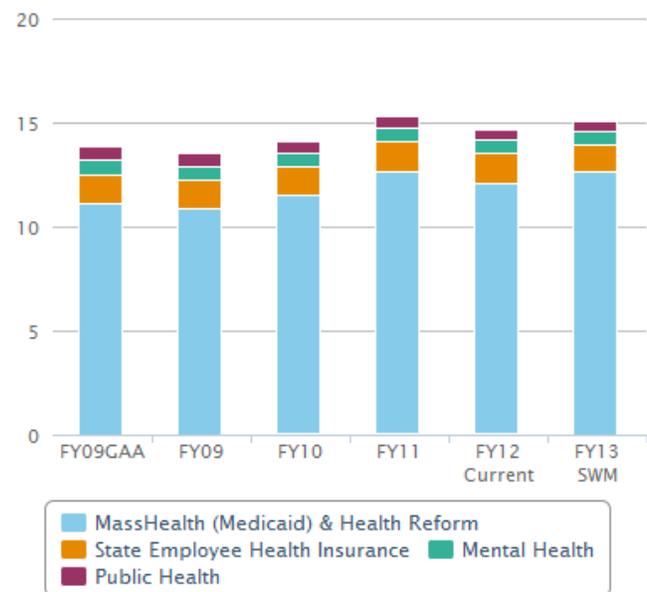


HEALTH CARE

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM
Health Care	13,801,558,210	14,466,749,190	15,239,270,904	15,160,946,531	15,071,727,844
MassHealth & Health Reform	11,096,692,100	11,922,047,682	12,696,005,877	12,654,651,407	12,589,634,106
Mental Health	732,081,653	651,018,701	668,272,292	675,424,657	669,241,960
Public Health	634,952,841	523,678,808	529,710,271	519,795,169	528,520,446
State Employee Health Insur.	1,337,831,616	1,370,003,999	1,345,282,465	1,311,075,299	1,284,331,332

The Senate Ways and Means (SWM) budget for Fiscal Year (FY) 2013 proposes an overall increase of \$605.0 million, or 4.2 percent, in spending on health program over current FY 2012 levels (2.9 percent when additional spending expected to occur in FY 2012 is taken into account). This increase is largely driven by spending growth for MassHealth programs and masks rather different rates of spending growth for each of the areas within this broader category. Health inflation that has affected both public and private health insurance costs on the state and national level, together with enrollment growth driven by the recent economic crisis, mean that costs for MassHealth will increase at a rate higher than the overall growth of the budget. Cost growth in this area would have been even higher without implementation of a variety of cost-savings strategies in FY 2012 and FY 2013 that have begun to slow spending growth in both MassHealth and the Commonwealth Care program. Similar efforts to control the growth of costs for health coverage provided to state employees, along with measures that shifted costs to employees in previous years, have produced a slight decline in spending compared FY 2012, even after the off-budget use of a trust fund surplus is taken into account.

Billions of Dollars (2013 Dollars)



Meanwhile, funding for mental health and public health programs reflects the experience of many non-health programs in a state budget that was already squeezed by declines in revenue and growing health inflation before the fiscal crisis. That is, in FY 2013 these two areas will receive either a modest increase that is in line with inflation (in the case of mental health) or level funding (in the case of public health), but funding for each of them remains far below the level it was at in FY 2009.

MassHealth (Medicaid) & Health Reform

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM
MassHealth & Health Reform	11,096,692,100	11,922,047,682	12,696,005,877	12,654,651,407	12,589,634,106

The SWM budget proposes spending of \$12.59 billion on MassHealth and other low-income health coverage programs, \$65.0 million less than the House proposed. The proposed appropriation level represents an increase of 5.6 percent over FY 2012 spending on these programs, half a percentage point lower than the House's proposed 6.1 percent increase (when additional spending expected to occur in FY 2012 is taken into account the Senate increase is 4.0 percent, compared to a House increase of 4.5 percent). The bulk of spending in this category goes to pay for the state's Medicaid program, known as MassHealth, which provides health coverage for over 1.3 million people in Massachusetts (including nursing home care). Another significant portion is transferred to the Commonwealth Care Trust Fund (CCTF) to pay for the Commonwealth Care program that provides coverage to about 175,000 with incomes above the cut-off for MassHealth. Spending in this category also supports safety net hospitals and helps elderly and disabled people pay for prescription drugs. Most of this spending is eligible for federal reimbursement, generally at a rate of 50 percent of the total expenditure.

Enrollment in MassHealth and Commonwealth Care has risen steadily during the recent economic crisis, and more than one in five people in Massachusetts now depends on them for health coverage. The difference between the SWM and House appropriation levels for these programs is chiefly due to varying assumptions about cuts and savings that can be implemented in MassHealth programs, rather than different expectations about caseloads or underlying cost growth (see below for more detail).

MassHealth (Medicaid) and Health Reform

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM
MassHealth (Medicaid)	9,204,247,689	10,521,488,732	11,036,281,920	11,075,078,690	11,007,672,272
<i>Medicaid Programs*</i>	9,048,987,224	10,434,004,259	10,948,300,774	10,988,566,047	10,920,501,178
<i>Medicaid Administration</i>	155,260,465	87,484,473	87,981,146	86,512,643	87,171,094
HHS Information Technology	0	81,762,075	100,538,617	86,931,475	93,676,495
Commonwealth Care Fund	1,380,043,906	865,011,822	930,022,286	861,278,955	859,622,286
<i>Transfer from General Fund**</i>	1,193,606,495	745,011,822	737,122,286	741,278,955	739,622,286
<i>Estimated Tobacco Tax Revenue</i>	186,437,411	120,000,000	192,900,000	120,000,000	120,000,000
Other Safety Net & Health Finance	512,400,506	453,785,053	629,163,053	631,362,286	628,663,053
<i>Prescription Advantage</i>	61,448,563	21,602,546	19,000,869	19,000,869	18,500,869
<i>Medical Assistance Trust Fund</i>	369,543,746	394,025,000	394,025,000	394,025,000	394,025,000
<i>Delivery Syst Transformation***</i>	0	0	186,907,667	186,907,667	186,907,667
<i>Div of Hlth Care Finance & Policy</i>	18,704,723	31,257,507	28,129,517	27,928,750	28,129,517
<i>Other Health Finance</i>	62,703,474	6,900,000	1,100,000	3,500,000	1,100,000

*Totals for MassHealth Programs exclude the transfer of some funding for Early Intervention services from the Department of Public Health to a MassHealth line item. **The FY 2012 Commonwealth Care Fund Transfer includes \$17 million in surplus FY 2011 funds that were made available in FY 2012. ***Delivery System Transformation funds will replace, to some extent, payments to hospitals that were previously made through the Commonwealth Care Trust Fund and under the "Other Health Finance" category. Note that a pending FY 2012 supplemental budget includes \$186.9 million in Delivery System Transformation Initiatives funding (the same amount as proposed in FY 2013).

MassHealth (Medicaid)

Baseline spending for MassHealth programs – the amount required to maintain the programs in their current form, given changes in caseload and health inflation – is projected to be around \$11.47 billion in FY 2013. The Governor's budget proposed funding for MassHealth well below this level, relying on an estimated \$544.4 million in cuts and savings initiatives to fill the gap (\$516.3 million net savings after accounting for proposed spending of \$28.1 million on new initiatives; for details on these savings see http://www.massmedicaid.org/~media/MMPI/Files/FY2013H2_BudgetBrief_v7.pdf). Like the

House budget, the SWM spending plan adopts nearly all of the Governor's savings proposals, but goes further than either the Governor or House, identifying an additional \$27.8 million in savings. These include:

- An expectation that coverage for adult day habilitation will be reduced from six to five hours per day, starting on October 1st, for expected savings of \$15 million. These programs provide crucial rehabilitative supports for disabled adults and elders.
- "Bed-hold" language that prohibits nursing homes from reassigning patients' beds for ten days while they are absent for medical treatment, but that also allows MassHealth to lower the rates paid for these beds to \$30 per day, a change that is expected to save \$4.5 million in FY 2013.
- Estimated savings of \$3.0 million due to an expansion of academic detailing activities that are designed to counter pharmaceutical company advertising and to encourage providers with a high proportion of publicly funded patients to adopt more cost-efficient prescribing practices.
- Estimated savings of \$2.3 million from a provision (included in outside section 84) that would extend coverage for hospice care to the MassHealth Essential and MassHealth Basic health plan members, allowing them to receive care in settings that are less expensive than hospitals.

In addition, while the SWM budget funds infrastructure and capacity-building activities at community hospitals and community health centers, it provides \$15.0 million for hospitals and \$2.0 million for health centers, a total of \$6.0 million less than the \$20.0 million and \$3.0 million allocations that the Governor and House included for these investment initiatives (funding for these activities is included in earmarks in the managed care line item). Finally, the SWM budget includes language (also in the managed care line item) maintaining FY 2012 rate levels for McInnis House, which provides medical respite care to the homeless; in contrast, the Governor assumed \$3.0 million in savings from a change in these rates.

The SWM budget follows the Governor in dedicating \$2.0 million to a new operations line item (4000-1602) to improve the MassHealth enrollment and redetermination processes, and includes language requiring MassHealth to report on average wait times for phone calls to the program, along with other customer satisfaction measures. Likewise, the SWM budget includes a \$3.1 million appropriation proposed by the Governor to fund activities related to implementation of the Affordable Care Act, such as efforts to promote integrated care models. The House budget funded these initiatives, but at lower levels.

Outside sections of the SWM budget include language (section 140), requiring MassHealth to report to the legislature on the strategies it will use to achieve savings in MassHealth programs, and to provide notification of any plans to deviate from those strategies, as well as language (section 137) that continues limits on MassHealth coverage of dental services for adults. Unlike the Governor's and House budget proposals, the SWM budget does not include language that would give MassHealth authority to restructure MassHealth benefits.

Commonwealth Care Trust Fund

The CCTF receives transfers from the state's General Fund, as well as revenue from a portion of the cigarette tax, from assessments on certain employers who do not provide insurance and from penalties paid by people who can afford insurance but do not purchase it. These resources are used to pay for the Commonwealth Care insurance program for low-income people who are not eligible for MassHealth. The SWM budget proposes a transfer of \$739.6 million from the General Fund to the CCTF, in addition to an assumed transfer of \$120.0 million in tobacco tax revenue, for a total of \$859.6 million.

While the Governor proposed \$930.0 in transfers to the CCTF (including \$72.9 million from an increase in the tobacco tax), when he filed his budget in January, since that time the Connector – which operates the Commonwealth Care program – announced new contracts with health plans that include an average drop of 5 percent in per member spending; the Connector also expects to carry forward surplus revenue remaining in the fund at the end of FY 2012 for use in FY 2013. Thus the funding level included in the SWM budget is expected to be adequate to cover enrollment growth, including the reinstatement of legal immigrants following a state Supreme Judicial Court decision that found the state’s exclusion of this group unconstitutional. Like the Governor and House, the SWM Committee also assumes that the Connector will administer wellness and smoking cessation benefits within the Commonwealth Care program, however the SWM budget assumes that this program can be administered at a lower cost than the \$3.0 million assumed in the House budget and accordingly transfers a slightly lower amount from the General Fund to the CCTF than that authorized in the House budget.

Other Health Reform and Safety Net Spending

Also included in the SWM budget are:

- A transfer of \$186.9 million from the General Fund to a new **Delivery System Transformation Initiatives (DSTI) Trust Fund** that will provide incentive payments, in accordance with the state’s MassHealth waiver agreement with the federal government, to providers for activities that support the development of new payment and health delivery systems, such as better management of chronic conditions and medical home infrastructures at seven safety net hospitals. (A similar transfer for FY 2012 is included in a supplemental budget currently before the legislature.) As noted above, the SWM budget earmarks \$15.0 million for similar activities at hospitals that are not eligible to receive DSTI funds, and \$2.0 million for Community Health Centers.
- An authorization for the Division of Health Care Finance and Policy to spend \$2.0 million from federal reimbursement funds in order to move management of Health Safety Net claims for uncompensated care to MassHealth.
- A decrease in funding for the Prescription Advantage program compared to FY 2012, which reflects reduced utilization of the program due to changes made by the federal health reform law that will provide increased Medicare coverage for costs that are now covered by the Prescription Advantage program.
- The SWM budget provides \$93.7 million for Information Technology (IT) services at Health and Human Services (HHS) agencies, an increase of \$11.9 million over FY 2012 spending and midway between the appropriations proposed by the Governor and the House (this funding goes to other HHS agencies in addition to MassHealth and the Division of Health Care Finance).
- The SWM budget omits an earmark, included in the House budget, setting aside \$2.4 million from the MassHealth administrative line item for Hale Hospital (funds for this hospital have been included in a reserve account in previous fiscal year budgets).

MASSHEALTH & HEALTH REFORM LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM	Notes
1599-2004	Health Care Cost Containment Reserve	1,900,000	0	0	0	FY 2012 one-time funding
1599-2009	Hale Hospital Reserve	2,400,000	0	2,400,000	0	Included in 4000-0300
4000-0265	Primary Care Workforce	1,000,000	0	0	0	FY 2012 one-time funding
4000-0300*	Exec Off of Health and Human Services	86,484,473	86,981,146	85,512,643	86,171,094	
4000-0301	MassHealth Auditing and Utilization Reviews	1,736,425	1,739,619	1,736,313	1,740,023	
4000-0309	MassHealth Field Auditing Taskforce	1,000,000	1,000,000	1,000,000	1,000,000	
4000-0320	MassHealth Recoveries--Retained Revenue	225,000,000	225,000,000	225,000,000	225,000,000	
4000-0430	MassHealth CommonHealth Plan	130,439,637	73,165,558	73,165,557	73,165,558	Partly transferred to 4000-0500
4000-0500	MassHealth Managed Care	3,879,010,669	4,164,475,376	4,164,475,376	4,158,475,376	
4000-0600	MassHealth Senior Care	2,550,602,264	2,763,630,662	2,763,630,662	2,756,130,662	
4000-0640	MassHealth Nursing Home Supp Rates	318,300,000	288,500,000	318,500,000	288,500,000	
4000-0700	MassHealth Fee-for-Service Payments	2,029,206,633	1,935,380,126	1,950,180,126	1,923,380,126	FY 2013 numbers exclude EI funding
4000-0870	MassHealth Basic Coverage	157,016,626	179,909,689	179,909,689	178,759,689	
4000-0875	MassHealth Breast & Cervical Cancer Treatment	4,770,999	5,248,099	5,248,099	5,248,099	
4000-0880	MassHealth Family Assistance Plan	218,925,814	213,894,591	213,894,591	213,894,591	
4000-0890	MassHealth Premium Asst & Ins Partnership	58,181,956	30,481,392	30,481,392	30,481,392	
4000-0895	Healthy Start Program	13,800,000	15,850,244	15,850,244	15,850,244	
4000-0950	Children's Behavioral Health Initiative	214,743,708	221,705,516	221,549,097	221,705,516	
4000-0990	Children's Medical Security Plan	12,600,000	13,298,695	13,298,695	13,298,695	
4000-1400	MassHealth HIV Plan	18,541,135	19,744,723	18,744,723	19,744,723	
4000-1405	MassHealth Essential	389,757,408	505,998,457	505,998,456	504,848,457	
4000-1420	Medicare Part D Clawback	211,370,985	285,153,027	285,153,027	285,153,027	
4000-1602	MassHealth Operations	0	2,000,000	1,000,000	2,000,000	New line item
4000-1604	Health Care System Reform	0	3,125,000	750,000	3,125,000	New line item
4000-1700*	HHS Information Technology Costs	81,762,075	100,538,617	86,931,475	93,676,495	
4100-0060*	Division of Health Care Finance and Policy	21,157,507	22,029,517	21,828,750	22,029,517	
4100-0061	All Payer Claims Database	4,000,000	4,000,000	4,000,000	4,000,000	
4100-0360	Health Care Quality and Cost Council--RR	100,000	100,000	100,000	100,000	
4100-0062	Health Safety Net Claims Migration--RR	6,000,000	0	0	0	
4100-0082	Health Safety Net Claims Migration--RR	0	2,000,000	2,000,000	2,000,000	
7006-0029	Health Care Access Bureau Assessment	1,100,000	1,100,000	1,100,000	1,100,000	
9110-1455*	Prescription Advantage	21,602,546	19,000,869	19,000,869	18,500,869	
Trust Fund Transfers						
1595-5819	CommCare Trust Fund--Transfer from Gen Fund	745,011,822	737,122,286	741,278,955	739,622,286	
	CommCare Trust Fund--Tobacco Tax Transfer	120,000,000	192,900,000	120,000,000	120,000,000	
1595-1067	Delivery System Transformation Initiatives Trust	0	186,907,667	186,907,667	186,907,667	See discussion above
1595-1069	Health Insurance Technology Trust Fund	500,000	0	0	0	Funded off-budget in FY 2013
1595-1068	Medical Assistance Trust Fund	394,025,000	394,025,000	394,025,000	394,025,000	

*Governor and House totals adjusted to include totals from collective bargaining agreements.

Mental Health

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM
Mental Health	732,081,653	651,018,701	668,272,292	675,424,657	669,241,960

The SWM budget provides a total of \$669.2 million for Department of Mental Health (DMH) programs in FY 2013, a 2.8 percent increase over current FY 2012 spending that reflects expected inflation, but that is \$62.8 million, or 8.6 percent lower, than the FY 2009 appropriation for these programs, after adjusting for inflation. Cuts since 2009 have affected programs that support education, employment, and clubhouse programs, and have led to reductions in the number of beds at DMH facilities.

Funding for two core DMH line items – those providing treatment and support to children and adults in the community – rises by \$5.0 million and \$10.1 million respectively in the SWM budget, similar to the increases proposed by the House and Governor (the slightly lower appropriation for children's mental health services in the SWM budget reflects different expectations about maintenance costs for these services). The SWM budget also proposes an increase of \$11.8 million in funding for DMH hospitals and other facilities, \$3.9 million more than the Governor proposed. The higher funding level reflects a requirement, included in the facilities line item, that DMH maintain 45 continuing care in-patient beds at Taunton State Hospital. The spending plans of both the House and Governor assume that Taunton State Hospital will close midway through FY 2013. The SWM budget also contains line item language that would require state agencies to collaborate with municipal officials concerning the future use of DMH in-patient facilities if they are closed.

When considering increases to individual mental health line items, particularly the core services and facilities accounts, it is necessary to keep in mind that the FY 2012 budget included the one-time use of contributions from mental health trust funds to support many of these programs. Language in the FY 2012 budget specifically allowed use of the trust funds for in-patient or community services and authorized transfers of funds to the adult services and DMH facilities line items. The availability of the trust funds meant that the budget appropriations for the core services and facilities accounts were lower in FY 2012 than they would have been if the \$10.0 million in trust funds had flowed more directly through them, and conversely the FY 2013 increases for these programs appear larger. After accounting for the use of trust funds, the overall increase for these three line items proposed in the SWM budget is about 3.0 percent compared to FY 2012.

The SWM FY 2013 budget also includes small increases for a Forensic Services Program that assists mentally ill people in the court system, including in juvenile court clinics, and for DMH administration, and provides level funding for emergency mental health services. Outside sections of the budget include language (section 141) setting up a commission to study inpatient and community mental health services, including the potential impact of the closure of Taunton State Hospital on mental health needs in southeastern Massachusetts. The budget also contains language (in section 51) that would require an annual safety symposium for DMH employees; the symposium would be named in honor of Stephanie Moulton, a mental health worker who was killed by a resident in a group home in 2011.

MENTAL HEALTH LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM	Notes
5011-0100*	Department of Mental Health Administration	26,747,749	27,744,752	27,273,198	27,373,198	
5042-5000*	Child and Adolescent Mental Health Services	71,773,509	77,979,485	77,672,234	76,816,757	
5046-0000*	Adult Mental Health and Support Services	332,285,802	343,316,465	344,057,893	342,427,150	
5046-2000	Statewide Homelessness Support Services	20,134,424	20,134,424	20,134,424	20,134,424	
5046-4000	CHOICE Program RR	125,000	125,000	125,000	125,000	
5047-0001*	Emergency Services & Acute Mental Health Care	35,122,197	35,242,253	35,288,704	35,242,254	
5055-0000*	Forensic Services Program	8,097,163	9,178,527	8,321,818	8,634,856	
5095-0015*	Inpatient Facilities & Community-Based Svs	146,732,857	154,551,386	162,551,386	158,488,321	
5095-0017	Trust Fund Contributions	10,000,000	0	0	0	See discussion above

*Governor and House totals adjusted to include totals from collective bargaining agreements.

Public Health

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM
Public Health	634,952,841	523,678,808	529,710,271	519,795,169	528,520,446

The SWM budget provides a total of \$528.5 million in funding for public health programs, essentially level funding compared to FY 2012 and not sufficient to keep pace with inflation. Public health funding goes to a wide range of programs that protect the health of the general public in Massachusetts, for instance by responding to public health emergencies and ensuring that health professionals and facilities are properly licensed. Beyond these basic functions, more than half of DPH state budget funding goes to programs that promote health and wellness and prevent disease in specific populations. The fiscal crisis has hit all these programs hard – between FY 2009 and FY 2012 overall funding for public health declined by \$111.3 million, or 17.5 percent, after adjusting for inflation. The SWM budget halts this overall decline, but does not reverse it.

Substance Abuse and Smoking Prevention Services

The SWM budget provides a modest increase of \$1.7 million for the main substance abuse line item and level funding for other substance abuse programs, including step-down services and a family intervention program; these funding levels are identical to those the Governor proposed. The SWM budget also contains language (in section 104) making changes to a separate Substance Abuse Services Fund that was created in 2011 with a \$10.0 million transfer from the General Fund in order to implement an expansion of treatment facilities and case management for people with substance abuse disorders who have been civilly committed to mental health facilities. The language specifies that \$2.0 million is to be used for facilities and requires DPH to develop a spending plan for the remaining \$8.0 million by July 15, 2012. The Fund will close at the end of FY 2013, and any additional ongoing costs related to the expansion will need to be included in future budgets.

Early Intervention

After accounting for a shift of \$4.3 million in Early Intervention costs to a MassHealth line item that will now pay for them, the SWM budget proposes an increase of about \$881,000 for this program, in contrast to the slight decrease proposed by the Governor. The Governor's proposed appropriation level was expected to be sufficient to maintain current services and so the additional funding in the SWM budget could be used help support a rate increase for providers.

WIC

The SWM budget follows the Governor and House in proposing an increase of \$1.8 million, or 7.5 percent, in the amount that the Women, Infants and Children (WIC) nutrition program is authorized to retain and spend from revenue it receives from infant formula rebates and other federal measures. The increase is expected to cover the costs of maintaining the current level of services.

Youth Violence Prevention

The SWM budget provides \$8.0 in funding for a grant program (first funded in FY 2012 and contained in a separate Health and Human Services line item) that provides youth violence prevention grants targeted to high-risk communities. This amount is somewhat below the \$10.0 million that the program

received in FY 2012, and that the Governor proposed for FY 2013. The SWM budget also provides an \$800,000 increase for Youth at Risk grants, which the Governor's budget level funded.

Public Health Hospitals

The SWM budget proposes a total increase of \$7.9 million, or 4.9 percent, for hospitals operated by the Department of Public Health (including increases in retained revenue authorizations), somewhat below the level proposed by the House and Governor. This lower appropriation level does not represent a cut but rather reflects the Senate's somewhat lower expectations concerning actual FY 2013 costs for these hospitals.

Universal Immunization

The SWM budget contains language (section 85) creating a Vaccine Purchase Trust Fund that will hold funds from a surcharge on insurers that will be set annually at a rate designed to provide sufficient funds to pay for the costs of vaccines for the state's universal immunization program for children. A similar surcharge has been imposed in recent years to pay for vaccines; the SWM language would codify it in state law, and would also create an advisory council to make recommendations on the purchase of vaccines.

HIV and Disease Prevention Programs

Like the spending plans proposed by the Governor and House, the SWM budget provides level funding for a program that provides services to people with HIV, and also level funds a program that provides screening for and education about a variety of diseases (after adjusting for the fact that the SWM budget breaks out funding for an ALS registry in a separate line item), but funding for these programs remains well below FY 2009 inflation-adjusted levels.

Academic Detailing

The SWM budget provides \$500,000 for an Academic Detailing program that encourages cost-effective prescribing practices among health providers who have patients in publicly funded health programs, the same level of funding it received in FY 2009, before being cut during the state's fiscal crisis. The SWM budget assumes that education provided to providers will result in savings of about \$3 million within the MassHealth program.

BUDGET MONITOR

PUBLIC HEALTH LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM	Notes
4000-0005	Safe & Successful Youth Grant Program	10,000,000	10,000,000	0	8,000,000	
4510-0020	Food Protection Program--RR	375,000	375,000	375,000	375,000	
4510-0025	SEAL Dental Progra--RR	889,889	889,889	889,889	889,889	
4510-0040*	Pharmaceutical Regulatio--RR	421,539	432,187	427,266	432,188	
4510-0100*	Department of Public Health	17,708,308	17,766,856	17,572,647	17,941,867	<i>Includes transfer to 4510-0712</i>
4510-0110*	Community Health Center Services	963,949	916,129	1,067,287	967,830	
4510-0600*	Environmental Health Services	3,205,454	3,231,212	3,337,405	3,231,212	
4510-0615*	Nuclear Reactor Monitoring--RR	1,764,716	1,768,947	1,768,947	1,768,947	
4510-0616	Prescription Drug Monitoring--RR	1,241,668	1,251,481	1,245,175	1,251,481	
4510-0710*	Div of Health Care Quality and Improvement	6,242,959	6,347,521	6,306,482	6,500,000	
4510-0712*	Division of Health Care Quality--RR	2,439,711	3,481,081	2,481,081	3,481,081	<i>Excludes transfer from 4510-0100</i>
4510-0715	Primary Care Center & Loan Forgiveness Program	157,000	0	0	157,000	
4510-0716	Academic Detailing Program	93,000	0	0	500,000	
4510-0721*	Board of Registration in Nursing	795,800	854,892	848,961	854,892	
4510-0722*	Board of Registration in Pharmacy	194,806	234,508	182,623	234,508	
4510-0723*	Board of Registration in Medicine & Acupuncture	997,001	1,088,151	1,088,151	1,088,151	
4510-0725*	Health Boards of Registration	273,383	315,865	284,595	315,865	
4510-0726	Board of Reg in Medicine--RR	300,000	300,000	300,000	300,000	
4510-0790	Regional Emergency Medical Services	931,959	931,959	931,959	931,959	
4510-0810	Sexual Assault Nurse Examiner	3,160,740	3,160,740	3,160,740	3,160,740	
4512-0103	HIV/AIDS Prevention, Treatment and Services	32,097,810	32,101,023	32,097,810	32,101,023	
4512-0106	HIV/AIDS--Drug Rebates RR	7,500,000	7,500,000	7,500,000	7,500,000	
4512-0200	Division of Substance Abuse Services	74,810,802	76,539,595	77,539,595	76,539,595	
4512-0201	Substance Abuse Step-Down Recovery Services	4,800,000	4,800,000	4,800,000	4,800,000	
4512-0202	Secure Treatment Facilities (Jail Diversion)	2,000,000	2,000,000	0	2,000,000	
4512-0203	Young Adult Treatment (Family Intervention)	1,500,000	1,500,000	1,500,000	1,500,000	
4512-0225	Compulsive Behavior Treatment--RR	1,000,000	1,000,000	1,830,000	1,000,000	
4512-0500*	Dental Health Services	1,395,761	1,354,924	1,403,897	1,354,924	
4513-1000*	Family Health Services	4,656,797	4,468,499	4,767,135	4,666,697	
4513-1002	Women, Infants, and Children's (WIC)	12,366,617	12,366,617	12,366,617	12,366,617	
4513-1012	WIC Manufacturer Rebates--RR	24,510,000	26,355,000	26,355,000	26,355,000	
4513-1020*	Early Intervention Services	31,144,420	30,025,263	31,325,263	32,025,263	<i>Includes MassHealth transfer</i>
4513-1023*	Newborn Hearing Screening Program	65,494	70,194	70,194	70,193	
4513-1026*	Suicide Prevention and Intervention Program	3,569,444	3,591,950	3,839,455	3,591,950	
4513-1098	Support Services for Homicide Victim Survivors	0	0	125,000	0	
4513-1111	Health Promotion and Disease Prevention	3,400,000	3,413,076	3,400,000	3,400,000	<i>Includes ALS registry (4510-3008)</i>
4513-1130*	Domestic Violence & Sexual Assault Prevention	5,507,970	5,514,340	5,514,340	5,514,340	
4516-0263*	Blood Lead Testing Fee RR	1,112,974	1,117,101	1,117,101	1,117,101	
4516-1000*	State Lab & Communicable Disease Control	13,013,002	13,381,260	13,246,240	13,472,659	<i>Includes transfer to Police Lab</i>
4516-1010*	Emergency Preparedness Match	2,272,509	2,205,654	2,193,665	2,209,400	
4516-1022	State Lab Tuberculosis Test--RR	250,619	250,619	250,182	250,619	
4518-0200*	Registry of Vital Records--RR	415,275	683,931	625,835	675,000	
4530-9000*	Teenage Pregnancy Prevention Services	2,378,410	2,286,916	2,385,873	2,536,916	
4570-1502*	Infection Prevention Program	251,281	265,299	262,168	265,299	
4580-1000	Universal Immunization Program	52,222,377	52,879,812	52,879,812	52,879,812	
4590-0250*	School-Based Health Programs	11,597,967	11,136,670	11,336,670	11,597,967	
4590-0300	Smoking Prevention & Cessation Programs	4,150,703	5,850,703	4,400,703	4,151,958	
4590-0912*	Western Mass Hospital--RR	16,457,488	17,081,671	17,081,671	16,990,628	
4590-0913	Shattuck Medical Vendor--RR	499,827	499,827	499,827	499,827	
4590-0915*	Public Health Hospitals	139,037,382	144,973,695	144,973,695	142,754,835	
4590-0917*	Shattuck Hospital DOC Inmat RR	4,046,265	4,209,388	4,204,640	4,209,388	
4590-1503*	Pediatric Palliative Care	790,732	796,051	796,051	796,051	
4590-1506*	Violence Prevention Grants	1,000,000	1,007,431	1,501,178	1,007,431	
4590-1507	Youth-At-Risk Matching Grants	1,700,000	1,700,000	1,900,000	2,500,000	
4590-2001	Tewksbury Hospital DDS RR	0	3,437,342	3,437,342	3,437,342	
OS-SAS	Substance Abuse Services Fund	10,000,000	0	0	0	

*Governor and House totals adjusted to include totals from collective bargaining agreements.

State Employee Health Insurance

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM
State Employee Health Insur.	1,337,831,616	1,370,003,999	1,345,282,465	1,311,075,299	1,284,331,332

The SWM budget proposes a total of \$1.28 billion in funding for state employee health coverage provided through the Group Insurance Commission (GIC), including \$757.7 million for the state's share of premium costs for active state employees. Like the Governor's and House budgets, the SWM budget assumes the one time use of \$40.0 million in trust fund balances for GIC premium costs, but even taking these additional funds into account, proposed funding drops slightly compared to FY 2012 appropriation levels (the difference between funding levels in the Governor's and SWM FY 2013 budget proposal reflects SWM's use of updated enrollment and cost projections). This decline in spending is the a result of GIC efforts to hold down cost increases in recent years through a variety of strategies, such as encouraging state employees to choose health plans with limited networks. (Note that MassBudget removes GIC costs related to coverage provided to municipal employees from calculations of state budget spending, because these costs are fully reimbursed by the municipalities.)

State Employee Health Costs	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM
<i>Employee Premiums and Plan Costs*</i>	830,154,520	770,679,063	756,679,063	757,669,230
<i>Dental & Vision Benefits</i>	36,054,973	37,591,870	37,591,870	37,441,870
<i>Retired Municipal Teacher Insurance</i>	64,726,762	69,342,635	69,342,635	69,249,835
<i>Tran to State Retiree Benefits Fund**</i>	414,325,940	462,715,928	442,715,928	415,042,237
<i>Other GIC</i>	24,741,804	4,952,969	4,745,803	4,928,160
Total Budgetary Spending	1,370,003,999	1,345,282,465	1,311,075,299	1,284,331,332
One-time Use of Federal Trust Funds	0	40,000,000	40,000,000	40,000,000
TOTAL	1,370,003,999	1,385,282,465	1,351,075,299	1,324,331,332

*Adjusted to remove costs related to municipal coverage for which the state receives a reimbursement.

**FY 2013 Governor and House totals transferred to the State Retiree Benefits Trust Fund include \$27.7 million in tobacco settlement revenues made available by FY 2012 budget language; the SWM budget does not include this transfer.

One area where the SWM budget differs from the Governor and House has to do with funding for the State Retiree Benefits Trust Fund (SRBTF). Recent budgets have included transfers to the SRBTF from the General Fund to pay for health benefits for retirees, but under a provision included in the FY 2012 budget, the SRBTF will also begin to receive a portion of revenue from the annual tobacco settlement payment made to the state in order to help fund future benefits promised to employees (in recent years tobacco settlement revenue has been deposited in the General Fund for use in the budget). In FY 2013 ten percent of the tobacco settlement payment, estimated by the Governor at \$27.7 million, is scheduled to be deposited in the Fund, and the share will increase by increments of ten percentage points each year, until 2022, when 100 percent of the payment will go into the fund. The SWM budget includes language (section 105) suspending this transfer in FY 2013.

STATE EMPLOYEE HEALTH INSURANCE LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 House	FY 2013 SWM	Notes
0640-0096	State Lottery Comm--Health Benefits	355,945	355,945	355,945	373,152	
1108-5100*	Group Insurance Commission	2,561,709	2,560,038	2,360,095	2,537,146	
1108-5200	Group Insurance Premium and Plan Costs	830,154,520	770,679,063	756,679,063	757,669,230	<i>Excludes municipal GIC costs</i>
1108-5201*	Municipal Partnership Act--Retained Revenue	2,017,862	2,036,986	2,029,763	2,017,862	
1108-5350	Retired Governmental Employees Premiums	340,000	448,800	448,800	356,000	
1108-5400	Retired Municipal Teachers Premiums	64,386,762	68,893,835	68,893,835	68,893,835	
1108-5500	Group Insurance Dental and Vision Benefits	9,104,973	9,833,370	9,833,370	9,683,370	
1599-1027	Reserve for Benefit Change Reimbursement	19,806,288	0	0	0	
1750-0300	Contribution to Union Dental and Vision Insuran	26,950,000	27,758,500	27,758,500	27,758,500	
1599-6152	State Retiree Benefits Trust Fund Transfer	414,325,940	435,042,237	415,042,237	415,042,237	
	State Retiree Benefits Trust (tobacco \$\$)	0	27,673,691	27,673,691	0	<i>See discussion above</i>

*Governor and House totals adjusted to include totals from collective bargaining agreements.