



Act 135 of 2020
Continuing Resolution, COVID-19 Appropriations
COVID-19 Related Provisions Reporting
As of October 1, 2020

Expenditures:

Category	Previously Reported	September 2020	Encumbered	Total
Personal Services	\$ 414,931	\$ 148,557	\$ -	\$ 563,488
Contractual	\$ 78,082	\$ 59,892	\$ 286,773	\$ 424,747
Supplies	\$ 485,497	\$ 47,330	\$ 308,794	\$ 841,621
Travel	\$ 2,188	\$ 10,372	\$ -	\$ 12,560
Capital Equipment	\$ -	\$ -	\$ 9,461	\$ 9,461
Case Services	\$ 2,904	\$ 1,890	\$ -	\$ 4,794
Asset (NCAP)	\$ -	\$ -	\$ 37,660	\$ 37,660
Total	\$ 983,602	\$ 268,041	\$ 642,688	\$ 1,894,331

Revenue Losses - Estimated Prospective Band Payments Paid Out - Underlying Billings Recovered

Program	Previously Reported	September 2020	Encumbered	Total
Adult Day Program	\$ 8,362,000	\$ 1,240,000	\$ -	\$ 9,602,000
Adult Day Health Care (1)	\$ 3,175,000	\$ (1,100,000)	\$ -	\$ 2,075,000
At-home Support Services	\$ 4,988,900	\$ 600,000	\$ -	\$ 5,588,900
Total	\$ 16,525,900	\$ 740,000	\$ -	\$ 17,265,900

1) Note that September reported figures are being adjusted to true up reporting for prior periods and year to date data.

Per the Continuing Resolution, SCDDSN has been directed to provide a detailed accounting of "the expenditure of all federal relief funds". SCDDSN has not received any federal relief funds, as defined by the various Acts. SCDDSN has been the benefactor of a reduction in the amount of state appropriations required for match of expenditures of Medicaid billable services. The nationwide 6.2% increase in Federal Medicaid Assistance Percentage (FMAP) has generated savings in state dollars vs increasing our revenues. It is important to note the FMAP increase is driven by the federal government's support of States' Medicaid Programs due to entering a significant national economic downturn. Economic downturns increase States' Medicaid rolls at a time when state budgets are likely shrinking. The COVID-19 is the driver causing the economic downturn, but the FMAP is not tied directly to COVID-19 relief. This is the third time the federal government has increased FMAP during a major economic downturn. For more details on this issue, the Congressional Research Service published a report exactly on point of this issue titled, "Medicaid Recession-Related FMAP Increases" published on May 7, 2020 (<https://crsreports.congress.gov/product/pdf/R/R46346>).

There are no requirements related to expenditure of the increased FMAP funds. Instead there are four other criteria required to receive the increased FMAP. These requirements are as follows:

- (1) ensure that their Medicaid "eligibility standards, methodologies, and procedures" are no more restrictive than those that were in effect on January 1, 2020;
- (2) not impose premiums exceeding the amounts in place as of January 1, 2020;
- (3) provide continuous coverage of Medicaid enrollees during the COVID-19 public health emergency period;
- (4) provide coverage (without the imposition of cost sharing) for testing services and treatments for COVID-19 (including vaccines, specialized equipment, and therapies).

The increased FMAP rates help states maintain their Medicaid programs during economic downturns. Also, the increased FMAP rates effectively reduce the state share of Medicaid expenditures for states, allowing states to use the state funding that would have been used for the state share of Medicaid—if there were not a recession-related FMAP rate—for non-Medicaid state budget needs.