

On April 10, the House Ways and Means (HWM) Committee released its Fiscal Year (FY) 2014 budget plan, and on April 24, after three days of debate and amendment, the full House approved a version of the budget. The House budget proposes \$13.38 billion in FY 2014 funding for the Massachusetts Medicaid program (MassHealth) and for other subsidized health coverage programs and related activities, including about \$45.6 million added during House debate of the budget. The federal government will reimburse roughly half of this spending.

The FY 2014 House budget reflects significant changes that will occur when central provisions of the federal Affordable Care Act (ACA) take effect in January 2014, midway through the state fiscal year. These changes will lead to an increase in MassHealth enrollment, alter the way Massachusetts provides subsidized coverage, and bring new federal Medicaid revenue and savings to the state. As in the Governor's House 1 budget proposal, the House budget includes a new line item to fund costs associated with the expansion that will occur under the ACA. It also follows the Governor in proposing some new investments while relying on savings initiatives to balance the overall MassHealth budget, and it includes language similar to legislation proposed by the Governor that would modify and repurpose an existing employer health care as-

essment and use the revenue to provide general support for subsidized health coverage programs.

Unlike the Governor's proposal, however, the House budget does not reinvest all the new federal revenue and savings from ACA implementation in health programs. It follows the Governor in funding rate increases for hospitals and provides some funding for activities to implement payment reform initiatives, albeit at slightly lower levels than the Governor proposed. It does not, however, include funding to restore full dental benefits for adults, and it makes the partial restoration of such benefits contingent on the availability of FY 2013 surplus budget funds. The House budget also proposes lower appropriation levels for some core MassHealth programs than the Governor proposed in his budget. All told, the House budget proposes to spend \$220.9 million—about 1.6 percent—less than the Governor's budget on MassHealth and other subsidized health coverage programs. The difference appears to reflect the revenue constraints within which House budget writers had to work after rejecting proposals to raise new revenue for purposes other than transportation. The budget process now moves to the Senate Ways and Means Committee, which is expected to release its FY 2014 spending plan in mid-May.

## MASSHEALTH AND HEALTH REFORM (MILLIONS OF DOLLARS)

		FY 2013 Current Appropriations*	FY 2014 Governor	FY 2014 House
<b>MassHealth (Medicaid)</b>	MassHealth Programs	10,869.94	11,808.17	11,619.66
	MassHealth ACA Expansion	0.00	460.91	449.18
	MassHealth Administration**	92.63	99.40	94.89
	<b>MassHealth Subtotal</b>	<b>10,962.57</b>	<b>12,368.48</b>	<b>12,163.72</b>
<b>Commonwealth Care Trust Fund</b>	General Fund Transfer	740.27	470.64	467.35
	Tobacco Tax Transfer	120.00	120.00	120.00
	<b>CCTF Subtotal</b>	<b>860.27</b>	<b>590.64</b>	<b>587.35</b>
<b>Transfers to Other Trust Funds</b>	Delivery System Transformation Initiatives Trust Fund	186.91	93.45	93.45
	Medical Assistance Trust Fund	565.01	392.00	392.00
	Health Insurance Technology Trust Fund	0.00	1.13	1.13
<b>Other Health Finance &amp; Safety Net Funding</b>	Center for Health Information and Analysis & Other Health Finance	37.53	29.90	27.60
	Prescription Advantage	17.93	16.81	15.79
	HHS Information Technology	91.92	106.12	96.62
<b>Total Spending</b>		<b>12,722.13</b>	<b>13,598.52</b>	<b>13,377.65</b>
<b>State Budget Total***</b>		<b>35,315.10</b>	<b>37,535.84</b>	<b>36,716.28</b>

\*FY 2013 Current Appropriations represents spending approved in the FY 2013 General Appropriations Act, supplemental spending approved through April 2013, and spending reductions announced in December 2012.

\*\*MassHealth Administration includes line items funding auditing, operations, and payment reform activities, as well as the main administrative line item (see table on last page for more detail).

\*\*\*State Budget Total includes all line item appropriations, operating transfers, and direct spending from statutorily designated taxes, as well as adjustments to account for municipal participation in the Group Insurance Commission and tuition retained by state universities and colleges; these adjustments allow for more accurate year-to-year comparisons.

## **MASSEALTH AND OTHER SUBSIDIZED HEALTH PROGRAMS**

Massachusetts provides subsidized health coverage for low-income residents of the state through a number of programs. MassHealth, the state's Medicaid program, currently provides health coverage for 1.38 million low-income people in Massachusetts. This total includes elderly members, children, and individuals with disabilities who are eligible for the program under federal Medicaid rules. MassHealth also covers other low-income adults—such as long-term unemployed adults and those with HIV or breast or cervical cancer—who are eligible under the state's Medicaid waiver agreement with the federal government. The Commonwealth Care program, created by the 2006 Massachusetts health reform law, offers subsidized coverage to approximately 200,000 low-income adults who are not eligible for MassHealth. The Medical Security Program (MSP) provides health coverage for people receiving Unemployment Assistance. The state's Health Safety Net reimburses hospitals and community health centers for a portion of the cost of providing health services to uninsured and underinsured patients, using revenue received from an assessment on hospitals and insurers.

In January 2014, the current system of subsidized coverage will change as the Commonwealth implements provisions of the ACA. The ACA expands Medicaid eligibility for all adults with incomes up to 133 percent of the Federal Poverty Level (FPL)—or effectively up to 138 percent of FPL once a five percent income disregard is taken into account. It also creates a system of tax credits and subsidies for individuals with incomes up to 400 percent of FPL to purchase Qualified Health Plans (QHPs) that will be available through state Health Insurance Exchanges (in Massachusetts, the Health Connector). The state will create a new MassHealth plan, to be called MassHealth CarePlus, to cover some adults currently enrolled in MassHealth (for example, those in MassHealth Essential), current Commonwealth Care enrollees with incomes up to 138 percent of FPL, and some people who are currently uninsured and meet new Medicaid eligibility criteria. State spending on CarePlus will be eligible for enhanced federal reimbursement—generally 75 percent, rather than the 50 percent level provided for most MassHealth spending.

People who have incomes above 138 percent of FPL, as well as certain lawfully present immigrants who are not eligible for MassHealth under the ACA expansion, will purchase QHPs through the Health Connector. The Commonwealth Care program will end, as will the Medical Security Program, whose enrollees will be eligible for either the new MassHealth CarePlus plan or QHPs. The shift of people whose coverage currently is subsidized with state dollars to federally subsidized QHPs, combined with the enhanced federal revenue for some enrollees, will yield an estimated \$200 million in savings for the state. The budget proposed by the Governor reflected these changes, and the House budget reflects a similar set of expectations about shifts in enrollment and changes in coverage type (for a more detailed description of changes in subsidized coverage under the ACA see "[The Governor's FY 2014 House 1 Budget Proposal](#)" brief).

## **MassHealth**

The FY 2014 budget proposed by the HWM Committee appropriated a total of \$12.12 billion for MassHealth programs and administration, as opposed to the \$12.37 billion appropriation in the Governor's budget. During the budget debate, House members approved amendments adding \$45.6 million to MassHealth line items, bringing the total to \$12.16 billion. Even with this addition, there is a gap of \$204.8 million (1.7 percent of the total MassHealth budget in the House bill) between the proposed funding levels for MassHealth in the two plans. The MassHealth appropriation total in the Governor's budget reflected the administration's estimate of the amount necessary to maintain current services, given expected enrollment and cost growth, as well as spending necessary to implement program expansion required under the ACA, plus a mix of savings initiatives and new investments. The House budget assumes the same savings (with one exception) as the Governor, but it makes fewer investments and appears to assume that either greater savings or lower baseline spending can be achieved. Key similarities and differences are described below.

### **• Adult Dental Coverage**

The initial HWM budget contained no funding for restoration of adult dental benefits that were cut in FY 2011. Language added during the House debate would restore coverage starting on January 1, 2014; the House budget allocates \$17.2 million from FY 2013 year-end surplus budget funds for a partial restoration of dental benefits. The funding would allow coverage for dental fillings in all teeth (funding for coverage of fillings in front teeth was included in the FY 2013 budget). The added funds for coverage would depend on the existence of a year-end surplus; dental coverage is only one of a number of purposes for which the budget proposes allocating year-end surplus funds (see outside section 74), and the budget does not establish a priority order for funding of these activities. The Governor's budget included \$68.8 million in line item 4000-0700 for full restoration of dental coverage for MassHealth enrollees (also starting on January 1, 2014), and \$3.3 million for dental coverage for Commonwealth Care enrollees.

### **• Hospital and Provider Rates**

The House budget includes \$15.0 million in earmarks—added during budget debate in the House—to fund rate adjustments for three hospitals that serve high-risk pediatric patients, an increase of \$13.0 million over current FY 2013 spending (the earmarks appear in line item 4000-0300, but funding for them is contained in 4000-0700). The Governor's budget included a \$12.8 million increase for rate adjustments. In both budgets, the increase represents a restoration of funds that were cut as part of budget reductions in December 2012. The House budget appears to assume a base Medicaid rate increase for hospitals of \$49.4 million, or \$2.0 million less than the \$51.4 million included in the Governor's budget. Both budgets would draw \$20.0 million from an off-budget Healthcare Payment Reform Fund for a portion of the base rate increase that is related to adoption of alternate payment methodologies. This fund, which was created in 2011 legislation legalizing casino gambling and further defined in 2012 payment reform legislation (Chapter 224), will receive revenue from casino licenses and from a one-time assessment on hospitals.

The House plan also draws on the Healthcare Payment Reform Fund to pay for a rate adjustment for another hospital serving children with chronic diseases and for increased payments to Critical Access hospitals. Funding for these items was included in the Governor's budget, but in the 4000-0700 line item rather than in the off-budget Payment Reform Fund. The House appears to set aside \$3.0 million less than the Governor for Infrastructure Capacity Building grants, and it does not include \$10.0 million in new funding that the Governor's budget proposed to support primary care providers who accept global payments as part of a MassHealth payment reform initiative designed to better integrate care delivery and increase provider accountability.

- **ACA Expansion**

The House follows the Governor in creating a new line item (4000-0940) to fund the MassHealth coverage expansions that will begin in January 2014 for an estimated 325,000 adults. This line item will fund costs related to people who are newly eligible for MassHealth CarePlus under the ACA, as well as incremental costs for existing MassHealth enrollees who are currently in programs with more limited coverage and who will move to CarePlus. The House budget appears to adopt the Governor's budget assumptions concerning new enrollment and cost growth related to expansion of MassHealth, and includes funding for two of the four coverage adjustments proposed by the Governor: the extension of coverage terminations to the end of the month, and standardization of coverage for pregnant women. The House budget does not include the Governor's proposals to provide \$11.7 million to maintain state coverage for certain legal immigrants and to extend new ACA income eligibility criteria to include disabled as well as non-disabled adults. This could adversely affect up to 3,400 legal immigrants and 930 adults with disabilities.

- **Nursing Home Supplemental Rates**

The FY 2013 budget increased funding for supplemental rate payments (4000-0640) from \$288.5 million—the level that had been customary in previous years—to \$318.7 million (later decreased to \$303.6 million when mid-year budget cuts were implemented in December 2012). The HWM budget initially proposed a return to the lower level of \$288.5 million, but amendments approved during debate increased the House budget's appropriation to \$319.3 million and added language earmarking \$2.8 million of that amount for incentive payments to nursing homes for quality improvement initiatives. The Governor's budget appropriates \$298.6 million for nursing home supplemental rates.

- **MassHealth Operations**

The House budget proposes a modest increase of just under \$334,000 for a MassHealth Operations line item (4000-1602) created in the FY 2013 budget to address backlogs in processing applications and prolonged call-waiting times. The Governor's budget proposed an increase of \$2.4 million to support 31 new Benefit Eligibility and Referral Social Workers (BERS) to accommodate the nearly 200,000 people expected to newly enroll in MassHealth and to support continued efforts to reduce delays in processing applications for the program. The House budget also funds the main MassHealth administrative account (4000-0300) and another new account created in FY 2013 (4000-1604) to support implementation of ACA provisions, but at levels lower than the amount requested by the Governor.

In addition to the differences described above—which explain many of the House-Governor gaps in funding for the MassHealth Fee-for-Service line item (4000-0700) and for the new ACA line item—the House budget appropriates less than the Governor proposed for other core MassHealth accounts. The House proposes to appropriate \$52.5 million less for MassHealth managed care programs (4000-0500) and \$50.0 million less for Senior Care (4000-0600). Other programs, such as Family Assistance and the MassHealth HIV plan, also receive lower appropriations in the House budget. The Governor's budget set a fairly aggressive target for baseline growth (5.1 percent growth, comprising cost growth of 2.5 percent and base enrollment growth of 2.6 percent). The House spending plan does not include detail on the assumptions underlying its appropriation levels; achieving these lower spending levels without affecting enrollees or providers may be difficult.

### **Commonwealth Care and Qualified Health Plans**

As noted above, the Commonwealth Care program will continue to provide subsidized health coverage for about 200,000 low-income people who are not eligible for MassHealth through December 2013. Commonwealth Care health plans are administered by the Commonwealth Health Connector and are currently funded through the Commonwealth Care Trust Fund (CCTF), which receives revenue from the General Fund, a portion of the tobacco tax, fines on people who do not purchase health coverage that is deemed affordable, and Fair Share Contributions from employers who do not offer health coverage.

The Commonwealth Care program will end when ACA implementation begins. About 106,000 adults currently enrolled in the program who have incomes up to 133 percent of FPL (138 percent when the income disregard is taken into account) and who satisfy Medicaid immigrant eligibility rules will shift to new MassHealth coverage. About 104,000 Commonwealth Care enrollees with incomes from 138 percent to 300 percent of FPL, as well as certain lawfully present immigrants with incomes of 0 percent to 300 percent of FPL, will move to a new form of subsidized coverage, called Qualified Health Plans (QHPs). These plans will be sold through the Health Connector and subsidized via federal tax credits and direct federal payments to health plans, but the subsidies available under this system will be less extensive than current Commonwealth Care coverage. For example, a Commonwealth Care enrollee earning \$20,000 a year could see monthly premiums jump to \$85 from \$40 and average monthly cost-sharing (co-payments, etc.) jump to \$49 from \$12.

The Governor's budget funded "wrap" coverage that would be combined with federal credits and subsidies in order to maintain affordability for QHP coverage at the same level as the current Commonwealth Care program, at a cost of \$121.8 million (including restoration of dental benefits and some operational costs). A portion of the spending would be eligible for federal reimbursement, resulting in federal matching funds of about \$21.0 million.

The House budget appears to follow the Governor's assumptions concerning both revenue and spending from the CCTF, except for dental coverage. As in the Governor's proposal, the House assumes that the CCTF will continue to receive tobacco tax revenue and fines

from individuals who have not purchased insurance in FY 2014. The House bill abolishes the current Fair Share Contribution charged to some employers who do not provide health coverage, as does the Governor's budget (the charge will be replaced with a federal penalty). Both budgets assume similar transfers from the General Fund to the CCTF—\$470.6 million in the Governor's budget, and \$467.3 in the House budget, compared with \$740.3 in FY 2013. The lower funding level reflects the shift of Commonwealth Care enrollees to QHPs and the lower costs of the wrap program. The \$3.3 million difference between the two budgets reflects the House's decision not to adopt the Governor's proposal to restore dental coverage for adults (see discussion above). However, the House fund transfer is sufficient to fund the wrap coverage for people enrolled in QHPs with incomes up to 300 percent of FPL.

### **Medical Security Program**

Created in 1988 health reform legislation, the Medical Security Program (MSP) provides health coverage for people who are receiving unemployment insurance benefits, using funds from an assessment on employers that is similar to the unemployment insurance assessment. This program currently operates off-budget—funds from the assessment are deposited into a Medical Security Trust Fund, and the Department of Workforce Development draws on the trust to pay for the program without any further appropriation. Spending on the program is eligible for federal reimbursement, which is usually deposited in the General Fund. Both the House budget and the Governor's budget assume that the MSP will end midway through the fiscal year and that about 17,000 MSP enrollees will move to QHPs or MassHealth, depending on income and other eligibility criteria. The House budget includes language, similar to legislation filed by the Governor, which continues the MSP assessment, deposits the revenue in a new trust fund, and uses it, starting in 2014, to support the costs of subsidized health care at MassHealth and the Health Connector. Both budgets assume that \$94.0 million from the new assessment will be available in FY 2014.

### **Health Safety Net Program**

The Health Safety Net (HSN) Trust Fund reimburses hospitals and community health centers for a portion of the cost of providing health services to uninsured and underinsured patients, using revenue received from an assessment on hospitals and insurers, as well as a transfer from the Commonwealth Care Trust Fund that is supported by the General Fund and dedicated revenues. The assessment is defined in state statute to yield \$320.0 million, and the CCTF transfer has typically been \$30.0 million in recent years, for a total of \$350.0 million. Because the funding level has tended to remain fixed, when uncompensated care use or costs rise, hospitals receive reimbursement for a smaller proportion of total costs (this shortfall is distributed among hospitals). Like the MSP, the HSN program is off-budget. About 36,000 individuals are expected to shift to the new MassHealth plan from the Health Safety Net when the ACA's Medicaid expansion goes into effect in January 2014, and an additional 29,000 HSN users are expected to purchase QHPs through the Connector. As a result, demand for services funded through the HSN Trust is expected to decline and the gap between total costs for uncompensated care and the amount available to reimburse those costs is expected to shrink.

## **RELATED HEALTH CARE SPENDING**

In addition to the proposals for MassHealth and other subsidized health coverage programs described above, the House budget includes spending on other agencies and activities to provide access to quality health coverage and control health costs. These include:

- ***Center for Health Information and Analysis***

Recent payment reform legislation, Chapter 224 of the Acts of 2012, created an independent agency, the Center for Health Information and Analysis (CHIA), that has assumed data-gathering and analysis functions previously performed by the Division of Health Care Finance and Policy (DHCFP). The new center will provide analysis to the Health Policy Commission, which will set health care cost-growth targets and monitor the health care system, and will also oversee an All-Payer Claims Database. Responsibility for management of the Health Safety Net program and claims processing, which was formerly under DHCFP, was transferred to MassHealth, and \$6.0 million was provided to support the transfer in FY 2013. The House budget proposes FY 2014 funding for CHIA that represents a slight increase over the FY 2013 appropriation for DHCFP but is \$2.3 million less than the amount proposed by the Governor.

- ***Health Policy Commission***

The new Health Policy Commission (HPC) will be funded through casino licensing revenues and a one-time assessment on hospitals and health plans. The HPC will receive 5 percent of the \$225 million one-time assessment on hospitals and health plans that was authorized in Chapter 224. The assessment will be collected and distributed over a four-year period, and thus \$2.8 million will be available, in addition to casino-related revenues, for the HPC in FY 2014. Funds will be deposited in an off-budget Healthcare Payment Reform Trust Fund; as noted in the MassHealth section above, some of the revenue will be used for payments to hospitals.

- ***Health Information Technology Trust Fund***

Both the House budget and the Governor's budget include \$1.1 million for a Health Information Technology (HIT) Trust Fund that was created in 2011. Funding will support the ongoing operations of a state Health Information Exchange (HIE) that allows electronic health information to be shared among providers. The majority of the funding needed to support the operations of the HIE, expected to total \$17.0 million per year when it is fully phased in, will come from federal and private sources.

- ***Medical Assistance Trust Fund & Delivery System Transformation Initiatives Trust Fund***

Both the House budget and the Governor's budget propose to continue funding for these two trust funds that provide grants to hospitals with high proportions of uninsured and publicly insured patients. Funding provided through the Medical Assistance Trust Fund (MATF) is supported fully by federal reimbursements and assessment revenue. The Delivery System Transformation Initiatives (DSTI) Trust Fund receives more than half of its funding from federal reimbursements. The proposed transfer to the DSTI fund is \$93.5 million, which is half of the total amount (\$186.9 million) expected to be available to support FY 2014 costs (the second installment will be made after the close of the FY 2014 fiscal year).

• **New Bureau of Program Integrity**

The House budget creates a new Bureau of Program Integrity to operate within the Executive Office of Health and Human Services (EOHHS) but not under its control, and provides \$350,000 in funding for it (0910-0220, part of the Inspector General's budget). The direc-

tor of the bureau would be appointed by the Inspector General, and its mission would be to develop and oversee regulations with a focus on improving eligibility determinations and reducing fraud in EOHHS programs, including MassHealth.

**APPENDIX**

Line Item	Name	FY 2013 Current Appropriations*	FY 2013 Estimated Spending*	FY 2014 Governor	FY 2014 House
<b>MassHealth Programs &amp; Administration**</b>					
4000-0300	EOHHS & MassHealth Administration (A)	88,144,888	88,144,889	90,598,693	88,785,816
4000-0301	MassHealth Auditing & Utilization Reviews (A)	1,736,313	1,736,313	4,416,519	4,416,519
4000-0309	MassHealth Field Auditing Taskforce (A)	1,000,000	1,000,000	–	–
4000-0320	MassHealth Recoveries (RR)	225,000,000	225,000,000	225,000,000	225,000,000
4000-0430	MassHealth CommonHealth Plan	73,165,557	88,421,954	96,628,909	91,074,613
4000-0500	MassHealth Managed Care	4,081,345,376	4,257,117,147	4,552,960,913	4,500,411,804
4000-0600	MassHealth Senior Care	2,756,130,662	2,756,696,960	2,911,335,505	2,861,335,505
4000-0640	MassHealth Nursing Home Supplemental Rates	303,600,000	303,989,967	298,600,000	319,300,000
4000-0700	MassHealth Fee-for-Service Payments	1,941,722,476	1,819,111,138	2,247,826,061	2,159,099,061
4000-0870	MassHealth Basic Coverage	178,759,689	172,080,738	180,437,109	180,437,109
4000-0875	MassHealth Breast & Cervical Cancer Treatment	5,248,099	5,248,099	5,725,199	5,725,199
4000-0880	MassHealth Family Assistance Plan	213,894,591	216,175,150	227,161,472	222,766,943
4000-0890	MassHealth Premium Asst & Insurance Partnership	30,481,392	30,797,377	33,877,115	30,877,115
4000-0895	Healthy Start Program	15,850,244	15,850,244	14,439,991	14,439,991
4000-0940	ACA Expansion Populations	–	–	460,907,878	449,177,060
4000-0950	Children's Behavioral Health Initiative	221,549,097	179,743,708	203,237,576	203,200,101
4000-0990	Children's Medical Security Plan	13,298,695	13,298,695	13,214,180	13,214,180
4000-1400	MassHealth HIV Plan	18,744,723	19,744,723	23,693,667	18,744,723
4000-1405	MassHealth Essential	505,998,456	466,755,623	489,878,244	489,878,244
4000-1420	Medicare Part D Phased Down Contribution	285,153,027	285,913,499	284,153,027	284,153,027
4000-1602	MassHealth Operations (A)	1,000,000	1,000,000	3,386,727	1,333,756
4000-1604	Health Care System Reform (A)	750,000	750,000	999,843	349,766
<b>Commonwealth Care Trust Fund***</b>					
1595-5819	Commonwealth Care Trust Fund (operating transfer)	740,272,286	661,249,148	470,637,393	467,346,393
PB4	Commonwealth Care Trust Fund (tobacco tax)	120,000,000	120,000,000	120,000,000	120,000,000
<b>Transfers to Other Trust Funds***</b>					
1595-1067	Delivery System Transformation Initiatives Trust Fund	186,907,667	186,907,667	93,449,470	93,449,470
1595-1068	Medical Assistance Trust Fund	565,006,556	565,006,556	392,000,000	392,000,000
1595-1069	Health Information Technology Trust Fund	–	–	1,125,000	1,125,000
<b>Center for Health Information and Analysis &amp; Other Health Finance**</b>					
1599-2004	Health Care Cost Containment Reserve	1,654,509	1,654,509	–	–
1599-2007	Health Care Cost Containment Reserve	2,949,889	3,000,000	–	–
4100-0060	Center for Health Information and Analysis	21,809,221	21,809,221	24,800,000	22,500,000
4100-0061	All-Payer Claims Database	3,960,000	4,000,000	4,000,000	4,000,000
4100-0082	Health Safety Net Claims Migration (RR)	5,955,471	6,000,000	–	–
4100-0360	Health Care Quality & Cost (RR)	99,000	100,000	–	–
7006-0029	Health Care Access Bureau Assessment	1,100,000	1,100,000	1,100,000	1,100,000
<b>Prescription Advantage</b>					
9110-1455	Prescription Advantage	17,925,869	17,925,869	16,808,368	15,789,821
<b>HHS Information Technology</b>					
4000-1700	Health and Human Services Information Tech Costs	91,917,894	94,282,975	106,121,424	96,616,423

\*FY 2013 Current Appropriations represents spending approved in the FY 2013 General Appropriations Act, supplemental spending approved through April 2013, and spending reductions announced in December 2012. FY 2013 Estimated Spending reflects the administration's expectations (as of January 2013) about final actual FY 2013 expenditures.

\*\*In these categories (A) denotes line items that fund MassHealth administration costs and (RR) denotes a retained revenue account that authorizes an agency to retain and spend funds from a particular source.

\*\*\*Funding for the Commonwealth Care Trust Fund and other trust funds reflect operating transfers made from the General Fund into each fund and not actual spending from the fund. In addition to a transfer from the General Fund (1595-5819), the Commonwealth Care Trust Fund receives a direct transfer of tobacco tax revenue, included here, that would otherwise go to the General Fund.