ML STRATEGIES

FY2019 Massachusetts Budget Update: The House Budget

May 03, 2018 | Advisory | By **Julie Cox**, **Steven A. Baddour**, **Daniel J. Connelly**, **Caitlin R. Beresin**, **Maxwell J. Fathy**

VIEWPOINT TOPICS

- State & Local Government Relations
- Health Care
- Life Sciences & MedTech

SERVICE AREAS

- State & Local Government Relations
- Health Care
- Life Sciences & MedTech

On April 27, the Massachusetts House of Representatives passed a $41.55 billion FY2019 budget by a vote of 150-4. Over four days of debate, the House considered 1,400 amendments to pass a final budget that authorizes $158.6 million more in spending than **Governor Charlie Baker's budget proposal.**

The final House plan closely resembles the **Ways and Means Committee proposal** and does not contain any major changes. Approximately $79.6 million was added to the Committee's plan across 146 different line items.

Of the additional $79.6 million in spending, $55 million went to earmarks, and $24.6 million was devoted to programmatic spending. Specifically, $14.1 million went to education and local aid, $10.7 million went to health and human services and elder affairs, $13.46 million went to public safety and judiciary, $6.98 million went to public health, $10.68 million went to labor and economic development, and $5 million went to energy and environmental affairs. Highlights of the changes made to the budget include:

- Nursing home supplemental rates were increased by $2.5 million to a total of $327.1 million.
- An additional $2 million was provided for regional transit authorities, boosting the total funding to $82 million.
- $750,000 was added for community college workforce incentive grants.
- The cap on family size for the Temporary Assistance to Families with Dependent Children program was eliminated, which will cost approximately $10 million when the change takes effect in FY2020.
- The annual caps on the state's dairy farmer tax credit and conservation tax credit were increased by $2 million and $3 million, respectively.
- Health care amendments notably not adopted include: amendment 538 establishing a special commission to study and provide recommendations on the feasibility of implementing a drug repository program for high cost pharmaceuticals; amendment 542 prohibiting contracts for pharmacy services from containing a provision prohibiting or penalizing a pharmacist's disclosure to an insured individual of information pertaining to the cost of the medicine, the availability of a generic alternative, or the potential savings by paying in cash; amendment 557 funding an academic detailing program; amendment 620 authorizing the Executive Office of Health and Human Services (EOHHS) to directly negotiate supplemental rebate or value-based pricing agreements with manufacturers of prescribed drugs; amendment 621 authorizing EOHHS to determine the extent to which to include within MassHealth's covered services federally optional coverage of prescribed drugs; amendment 1266 transferring funds to the Mass Life Sciences Investment Fund; and amendment 1285 changing the implementation date for eliminating exceptions to the ban on pharmaceutical company inducements to certain goods, products, or services.

Next Steps

The budget debate now turns to the Senate, where the Ways and Means Committee is expected to release its spending plan on May 10. This will be the fourth budget authored by Senate Ways and Means Chairwoman Karen Spilka. Amendments will be due on May 14, and floor debate will take place the week of May 21. Following Senate passage, a six-member Conference Committee, comprised of three House and three Senate members, will meet to resolve the differences between the final House and Senate versions. The budget will then go back to each branch for voting, finally landing on the Governor's desk. The Governor must sign a budget before July 1, the start of the next fiscal year.

ML Strategies will continue to monitor the budget process as lawmakers further develop their spending plans for FY2019.

Authors

Julie Cox

Steven A. Baddour, Executive Vice President & Director of Operations

Steve Baddour is a seasoned strategist and former Massachusetts State Senator and Assistant Attorney General with over three decades of experience in law, government, and public policy. His innovative approach to lobbying helps clients turn obstacles into opportunities by crafting tailored solutions that get results where others stall.

Daniel J. Connelly, Senior Vice President and Compliance Officer

Dan Connelly is a lawyer and lobbyist with over two decades of experience guiding clients through the legislative, regulatory, and political landscape. In addition, he counsels clients on lobbying registration and disclosure requirements, offering tailored guidance in complex compliance environments.

Caitlin Beresin

Maxwell Fathy