



FISCAL NOTE

House Bill 126

Committee: Finance and Taxation General Fund Sponsor: Representative Kyle South
Analyst: Tiffany Weaver Date: 05/24/2023

House Bill 126 as passed the House of Representatives would: (1) create the Medicaid Emergency Reserve Fund; (2) annually transfer to the Fund any unencumbered ending balance of the Medicaid State General Fund Account and the Medicaid State General Fund Carryforward Account that was not appropriated in a future budget, beginning with the 2024 fiscal year ending balance; (3) require the Legislature to appropriate the expected carryforward in the Fund back to the Fund for use in the next fiscal year, as well as the expected transfers from the Medicaid State General Fund Account and the Medicaid State General Fund Carryforward Account; and (4) prohibit the balance in the Fund from exceeding \$100 million.

This bill would also authorize withdrawals from the Fund only when authorized by the Governor and when the Alabama Medicaid Agency's commissioner notifies the Governor of the following: (1) over expenditure variances due to cost increases or unforeseen costs; and (2) to prevent overdraft or deficit if the Alabama Medicaid Agency is expected to expend its total State General Fund appropriation before the end of the fiscal year.

Further, this bill would appropriate: (1) \$88 million from the Medicaid State General Fund Carryforward Account to the Fund for fiscal year 2024; and (2) \$88 million from the Fund in fiscal year 2024 to the Alabama Medicaid Agency to be used in conformity with the provisions of this bill.