ATTACHMENT N

July 8, 2016

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution, I am returning to you for amendment Section 157 of House Bill No. 4450, “An Act Making Appropriations for the Fiscal Year 2017 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

Section 157, like similar sections in previous budgets, requires a $15 million transfer from the Commonwealth Care Trust Fund to the Health Safety Net Trust Fund, provides for FY17 payments to acute hospitals and community health centers from the Health Safety Net Trust Fund, allows Health Safety Net Trust Fund payments to be made as 1115 waiver or state plan payments, and allows up to $70 million of uncompensated care to be paid using sources of funds other than the Health Safety Net Trust Fund.

In light of the updates to the Health Safety Net program, we anticipate a reduced uncompensated care pool, resulting in less expenditure from the Health Safety Net Trust Fund. Therefore, we do not believe a mandatory $15 million transfer to the Health Safety Net Trust Fund is necessary.

For these reasons, I recommend that Section 157 be amended by inserting in line 1267, after the word “transfer,” the following words:- up to.

Respectfully submitted,