Virginia Budget Update (Medicaid Expansion)

Description

The 2018 General Assembly session adjourned without completing work on a new biennial budget. The cause for the impasse between the House of Delegates and the Senate was the question of whether Virginia should expand Medicaid.

The Republican controlled House of Delegates had included expansion in its budget while the similarly Republican controlled Senate had not. In both bodies Republicans have a slim one vote majority. Under the leadership of Speaker Kirk Cox and Appropriations Committee Chair Chris Jones, the House of Delegates passed its budget including expansion on a vote of 68 to 32. However, the Senate Republican Caucus held firm in rejecting the House budget and passing its own version which lacked expansion. Both budget bills were sent to a committee of conference where an attempt to craft a unified budget failed.

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Upon adjournment of the 2018 session, Governor Northam called a special session of the General Assembly to convene on April 11th to attempt to continue work on the budget. As the current budget bills were no longer before the General Assembly, Governor Northam introduced a new budget which was substantially similar to Governor McAuliffeâ??s introduced budget. The House acted shortly thereafter conforming the Governorâ??s budget to an almost identical version of what the House had passed during session. The Senate received the House version, referred it to the Senate Finance Committee but did not act upon it.

Senator Tommy Norment, Senate Majority Leader and co-Chair of the Finance Committee, called for the Senate to convene on May 22nd. It was believed that the Senate would act on the House budget but that did not occur.

In the lead up to the Senate floor session, there was discussion of use of what has been termed the â??nuclear optionâ?•. This option brought forward by Senator Dick Saslaw, Senate Minority Leader, would discharge the Finance Committee of its responsibility to consider the House budget and bring said budget directly to the floor of the Senate for consideration. Prior to the convening of the Senate on the 22nd, Senator Emmett Hanger (co-Chair of the Finance Committee), Delegate Chris Jones (Chair of the Appropriations Committee) and Governor Northam held a series of meetings to work out a unified budget. This resulted in roughly 300 amendments to the budget while still retaining Medicaid expansion. The plan, if it were deemed necessary, was to discharge the Finance Committee and bring the House budget directly to the floor of the Senate where the package of amendments worked out by Delegate Jones, Senator Hanger and Governor Northam would be accepted en bloc with the help of several sympathetic Republicans. The amended House budget would then be passed by the full Senate and sent to the House of Delegates which had been scheduled to meet on May 23rd. The House would then accept the amendments and pass the budget thereby doing away with the need for a committee of conference and sending a unified budget directly to the Governor for his signature.

When the Senate met on May 22nd there was a great deal of hesitancy about engaging the nuclear option. Senator Hanger relented to his caucus and extended the courtesy of a week to review the

compromise amendments, meaning the Senate Finance committee would convene on Tuesday, May 29th at Noon to consider the House budget and the package of amendments.

On May 29th the Senate Finance Committee met to consider the state budget and two packages of amendments to the same. During an often contentious meeting Senator Hangerâ??s package of amendments which included Medicaid expansion failed to pass from committee. Another group of amendments put forward by Senator Tommy Norment did pass from committee but did not include Medicaid expansion. The Senate convened at 3:00 to place the budget bills (HB 5001 and HB5002) on the calendar and adjourned to reconvene the next morning.

On May 30th the full Senate convened to consider both HB 5001 and HB 5002. HB 5001 is the â??caboose â?• budget which modifies the existing budget. HB 5002 is the new biennial budget. HB 5001 and HB 5002 were both passed with Senator Hangerâ??s package of amendments, which expand Medicaid, included. Senator Normentâ??s amendments which had been approved by Senate Finance the previous day were rejected. HB 5001 passed on a vote of 23-17 with four Republicans siding with all of the Democrats and HB 5002 passed by the same margin.

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Upon final passage of both bills the two budgets were communicated to the House of Delegates. HB 5001 passed on a vote of 68-30. HB 5002 passed on a vote of 67-31. Both bills will now be communicated to the Governor. At the time of this writing the Governor has not taken action on either bill but it is expected that he will sign them quickly.

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1. Legislative

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