

**DHS – Medicaid Tobacco Settlement Program  
Fiscal Year 2026  
As Enacted by Act 786 of 2025**

Portion of the Medicaid Program supported by the Tobacco Settlement Proceeds Act. Funds in this appropriation are sent to the Divisions of Provider Services and Quality Assurance and Medical Services.

**TOTAL APPROPRIATION**

| Appropriation |  | 2023-2024            | 2024-2025            | 2025-2026            |
|---------------|--|----------------------|----------------------|----------------------|
|               |  | Actual               | Authorized           | Legislative          |
| *642          | Medicaid TS - DPSQA/DAABHS             | \$993,427            | \$1,285,353          | \$1,301,592          |
| 642           | Medicaid TS - DMS                      | \$22,588             | \$87,250             | \$87,250             |
| 648           | Medicaid TS - Prescription Drugs       | \$2,333,921          | \$9,543,457          | \$5,142,643          |
| 648           | Medicaid TS Grants - Hosp/Med Services | \$112,269,145        | \$160,426,470        | \$140,426,470        |
| <b>Total</b>  |  | <b>\$115,619,081</b> | <b>\$171,342,530</b> | <b>\$146,957,955</b> |

\* Positions and funding associated with the Division of Provider Services and Quality Assurance were redirected to the Division of Aging, Adult, and Behavioral Health Services beginning in SFY2026.

**FUNDING SOURCES**

| Funding Sources                       |         | 2023-2024<br>Actual  | %             |
|---------------------------------------|---------|----------------------|---------------|
| Fund Balance                          | 4000005 | \$40,132,211         | 27.12         |
| Federal Revenue                       | 4000020 | \$79,938,602         | 54.02         |
| Tobacco Settlement                    | 4000495 | \$27,913,276         | 18.86         |
| <b>Total Funds</b>                    |         | <b>\$147,984,089</b> | <b>100.00</b> |
| <b>Excess Appropriation/(Funding)</b> |         | <b>\$32,365,008</b>  |               |
| <b>Grand Total</b>                    |         | <b>\$115,619,081</b> |               |

**CHANGE LEVEL REQUESTS**

**Medicaid Tobacco Settlement Grants (Appropriation 648)**

| Commitment Item |                            | 2024-2025            | 2025-2026            |                       |
|-----------------|----------------------------|----------------------|----------------------|-----------------------|
|                 |                            | Authorized           | Legislative          | Change Level          |
| 5100004         | Medicaid TS-Hosp/Med Srvs  | \$160,426,470        | \$140,426,470        | (\$20,000,000)        |
| 5100004         | Medicaid TS-Prescrip Drugs | \$9,543,457          | \$5,142,643          | (\$4,400,814)         |
| <b>Total</b>    |                            | <b>\$169,969,927</b> | <b>\$145,569,113</b> | <b>(\$24,400,814)</b> |

- Decreases made to align more closely with historical spending levels.

## **POSITIONS**

Total Authorized Positions FY2026: 19 (\*Aging, Adult, and Behavioral Health Services: 18, Medical Services: 1)

Total Authorized Positions FY2025: 20 (\*Provider Services & Quality Assurance: 19, Medical Services: 1)

Increase / (Decrease): (1)

Extra Help Positions FY2026: 0

\* Positions and funding associated with the Division of Provider Services and Quality Assurance were redirected to the Division of Aging, Adult, and Behavioral Health Services beginning in SFY2026.

## **SPECIAL LANGUAGE REVISIONS**

No Changes Requested