

Budget Brief – Utah Department of Health

DEPARTMENT SUMMARY

DOH BB 08-01

SUMMARY

The Mission of the Utah Department of Health is to protect the public’s health by preventing avoidable disease, injury, disability, and premature death; assuring access to affordable, quality health care; promoting healthy lifestyles; documenting health events; and monitoring and analyzing health trends.

ISSUES AND RECOMMENDATIONS

The Analyst recommends an ongoing FY 2008 base budget for the Utah Department of Health of \$1,821,797,400. The one-time General Fund FY 2007 appropriation of \$20,040,600 has been removed. The largest portion of the one-time funding was the transfer of \$19,149,600 ongoing General Fund to the Department of Human Services which was replaced with one-time money. A net increase of \$5,693,400 ongoing General Fund was approved by the Executive Appropriations Committee for inclusion into the base budget bill. This funding was for:

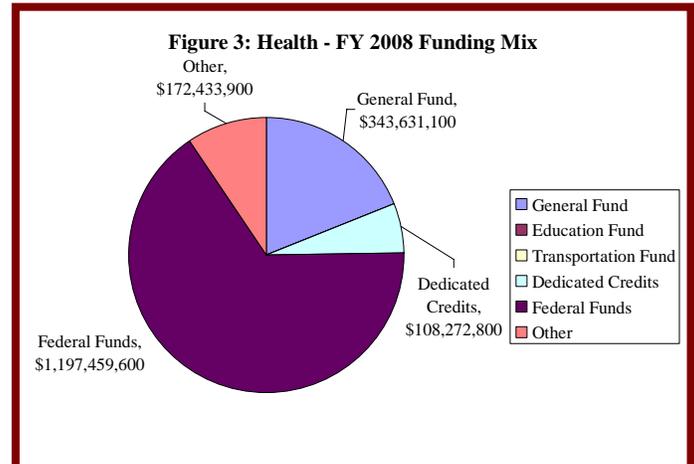
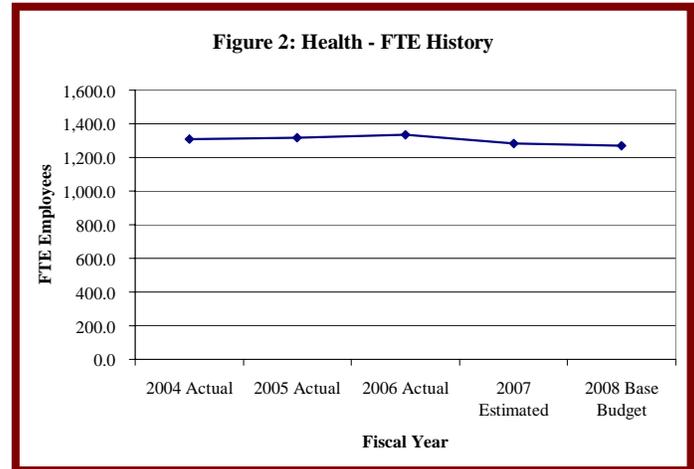
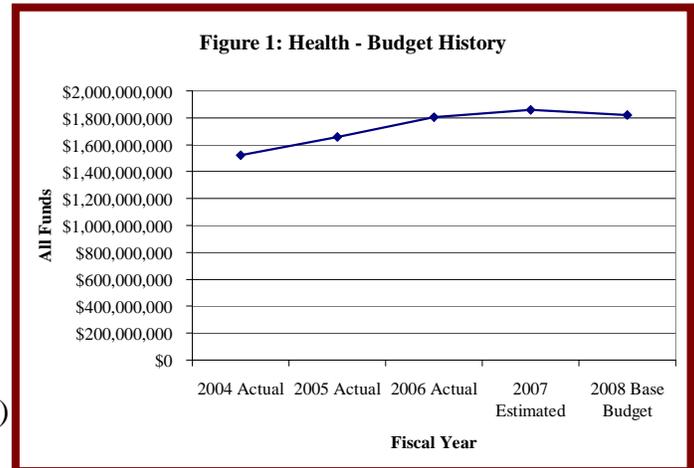
Federal Medical Assistance Percentage	(\$10,135,900)
Medicaid Caseload/Utilization	\$ 3,049,600
Medicaid Inflation	\$12,779,700

These General Fund adjustments do not include over \$43 million in matching Federal Funds and Dedicated Credits which have been added to the base bill. Of this budget, 91.0 percent (\$1,658,635,600) of these funds are “passed-through” to individuals or other organizations. The remaining 9.0 percent (\$163,161,800) is the Department’s remaining program and operating budget.

Significant Factors

The key factors impacting the Health Department budget are:

1. Program caseload and utilization (Program usage and state demographics.)
2. Inflation (Both medical and Medicaid inflation rates often surpass the general national inflation rate.)
3. Program changes (Federal changes often result in additional expenses for the State.)
4. Implementation and upgrading of technology (This is a significant and expensive activity which includes eRep, computers and lab equipment.)



These factors have a continuing impact on the Department's budget. Federal changes have been implemented in a number of programs with more anticipated. This has had a significant impact on the FY 2007 budget and will carry-over into FY 2008. The Federal Medicaid Commission issued their report on December 29, 2006 and is still being evaluated for impact and effect. Actual program implementation will probably take place over the next few years with some changes possible as soon as this year.

The Department may also lose federal funding for several programs. The Legislature will have to decide which of the programs are important enough to continue with State funding.

Another issue is the capacity of some facilities and equipment of bureaus to accomplish their mission.

Medicaid Interim Committee

The 2007 Legislature established a Medicaid Interim Committee to evaluate all health and human service programs along with the Medicaid program.

At the first interim Legislative Management Committee meeting, the committee discussed issues related to Medicaid and federal funding reductions. The Legislative Management Committee authorized "the creation of a Medicaid Interim Committee..." The committee was authorized to meet six times and directed to provide a report to the Legislative Management Committee by November 1, 2006. This committee was (specifically) not limited to the scope and directives in S.B. 152, "Medicaid Task Force." The committee is jointly staffed by the Office of Legislative Research and General Counsel and the Office of the Legislative Fiscal Analyst.

At the subsequent Executive Appropriations Committee meeting, Representative Ron Bigelow, House Co-chair of the Committee gave some additional direction recommending that a full review of all health and human services programs be made and that the Medicaid Interim Committee address the one-time State funding in Medicaid and consider recommendations for long-term cost containment for Medicaid and health and human services programs. The final meeting of this Committee was held on January 5, 2007. Recommendations are outlined in an issue brief DOH IB 08-24, *Medicaid Interim Committee*.

ACCOUNTABILITY

Performance measures have been detailed in the Compendium Of Budgetary Information (COBI). Highlights are also included in the respective line item Budget Brief and Issue Brief documents where appropriate. All of the Divisions and Bureaus have a variety of programs and related performance measures.

The Department's major goals and objectives for FY 2008 as reported by the Department are:

1. Expand health coverage for children through Medicaid and Children's Health Insurance Program (CHIP).
2. Work towards health insurance coverage for all Utah citizens as a long-term public health goal.
3. Improve the State's capacity to respond to international and natural public health threats at state and local levels.
4. Establish the prevention of childhood obesity as a public health priority.
5. Provide public health facilities and health plans with quality and performance data that are consistent, reliable, and understandable to consumers.

FY 2008 BASE BUDGET

The budget detailed in the table on the next page is a starting point. Adjustments to the base and funding additions to the Department are discussed in subsequent Budget and Issue Briefs. The Department has from time-to-time shifted resources between programs within line items. This is authorized by the Budgetary Procedures Act. Shifting funds between line items or between departments must be done by legislative action.

BUDGET DETAIL

Health						
Sources of Finance	FY 2006	FY 2007		FY 2007		FY 2008*
	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	319,339,900	337,937,700	0	337,937,700	5,693,400	343,631,100
General Fund, One-time	19,152,000	20,040,600	0	20,040,600	(20,040,600)	0
Federal Funds	1,196,617,500	1,234,714,100	(13,737,800)	1,220,976,300	(23,516,700)	1,197,459,600
Dedicated Credits Revenue	107,074,300	123,169,900	(20,578,200)	102,591,700	5,681,100	108,272,800
GFR - Cat & Dog Spay & Neuter	0	0	0	0	50,000	50,000
GFR - Cigarette Tax Rest	3,131,500	3,131,700	0	3,131,700	0	3,131,700
GFR - Kurt Oscarson Trans	100,000	100,000	0	100,000	0	100,000
GFR - Nursing Care Facilities Account	10,407,500	11,604,300	0	11,604,300	0	11,604,300
GFR - State Lab Drug Testing Account	293,600	293,300	0	293,300	0	293,300
GFR - Tobacco Settlement	16,531,800	16,624,500	0	16,624,500	4,200	16,628,700
Organ Donation Contribution Fund	76,100	113,000	0	113,000	0	113,000
Transfers - Environmental Quality	22,500	31,900	(4,800)	27,100	0	27,100
Transfers - H - Medical Assistance	10,000	20,100	(3,000)	17,100	1,100	18,200
Transfers - Human Services	108,260,700	61,716,500	50,039,300	111,755,800	(517,300)	111,238,500
Transfers - Intergovernmental	(1,406,800)	(145,100)	10,100	(135,000)	0	(135,000)
Transfers - Medicaid	1,679,000	1,261,000	(783,600)	477,400	221,900	699,300
Transfers - Other Agencies	9,290,200	50,264,500	(41,199,100)	9,065,400	(221,900)	8,843,500
Transfers - Public Safety	224,800	236,600	5,400	242,000	(13,700)	228,300
Transfers - State Office of Education	0	8,400	(8,400)	0	9,400	9,400
Transfers - Within Agency	18,492,700	14,965,600	3,088,300	18,053,900	900	18,054,800
Transfers - Workforce Services	639,900	676,300	123,200	799,500	7,200	806,700
Beginning Nonlapsing	4,327,400	2,390,000	6,852,200	9,242,200	(6,157,200)	3,085,000
Closing Nonlapsing	(9,242,200)	(2,191,000)	(894,000)	(3,085,000)	722,100	(2,362,900)
Lapsing Balance	(2,162,000)	0	1,800	1,800	(1,800)	0
Total	\$1,802,860,400	\$1,876,963,900	(\$17,088,600)	\$1,859,875,300	(\$38,077,900)	\$1,821,797,400
Line Items						
Executive Director's Operations	25,225,700	25,739,100	2,084,900	27,824,000	(3,024,600)	24,799,400
Health Systems Improvement	12,111,300	15,469,300	1,105,500	16,574,800	(929,000)	15,645,800
Workforce Financial Assistance	940,300	572,900	(21,900)	551,000	22,000	573,000
Epidemiology & Lab Services	16,634,800	18,153,800	774,000	18,927,800	(712,400)	18,215,400
Community & Family Health	100,010,000	105,305,800	(332,600)	104,973,200	(1,281,700)	103,691,500
Health Care Financing	75,944,300	71,084,000	8,057,200	79,141,200	(398,300)	78,742,900
Medical Assistance	1,518,090,800	1,587,204,900	(28,818,600)	1,558,386,300	(31,792,800)	1,526,593,500
Children's Health Ins Prog	51,847,500	51,341,900	62,900	51,404,800	38,900	51,443,700
Local Health Departments	2,055,700	2,092,200	0	2,092,200	0	2,092,200
Total	\$1,802,860,400	\$1,876,963,900	(\$17,088,600)	\$1,859,875,300	(\$38,077,900)	\$1,821,797,400
Categories of Expenditure						
Personal Services	79,282,800	84,987,400	(5,329,100)	79,658,300	(539,100)	79,119,200
In-State Travel	723,700	708,000	69,600	777,600	(25,000)	752,600
Out of State Travel	589,400	633,000	11,000	644,000	(44,400)	599,600
Current Expense	57,447,400	48,344,100	22,134,600	70,478,700	(2,100,200)	68,378,500
DP Current Expense	7,298,600	6,525,500	7,759,700	14,285,200	(228,200)	14,057,000
DP Capital Outlay	307,500	0	449,200	449,200	(314,100)	135,100
Capital Outlay	404,700	177,800	308,600	486,400	(366,600)	119,800
Other Charges/Pass Thru	1,656,806,300	1,735,588,100	(42,492,200)	1,693,095,900	(34,460,300)	1,658,635,600
Total	\$1,802,860,400	\$1,876,963,900	(\$17,088,600)	\$1,859,875,300	(\$38,077,900)	\$1,821,797,400
Other Data						
Budgeted FTE	1,336.4	1,337.6	(55.7)	1,281.9	(10.7)	1,271.2
Vehicles	73	59	14	73	0	73

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

LEGISLATIVE ACTION

The Executive Appropriations Committee requests that the Subcommittee adopt base budgets for each agency under the Subcommittee's purview, fund Subcommittee priorities, first by reallocating revenue among programs reviewed by the Subcommittee. Those items that cannot be funded within the current Subcommittee base budget should then be added to a prioritized list of desired items for funding. One combined list is to be submitted by the Subcommittee. Items of both Health and Human Services must be prioritized together. This prioritized list will be presented to the Executive Appropriations Committee.