



# ARRA FUNDS APPROVAL – DEPARTMENT OF HEALTH

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: RUSSELL FRANSEN

ISSUE BRIEF

## SUMMARY

The Legislature expressed interest in reviewing the federal stimulus or *American Reinvestment and Recovery Act* (ARRA) money separate from the annual review of federal funds. This brief fulfills that request. This brief also reviews the \$17,843,900 ARRA money spent in FY 2012 and ARRA money previously approved for FY 2013. The Analyst recommends approval of the increases in ARRA funding of \$2,250,700 for FY 2013 and \$21,908,600 for FY 2014 as well as the proposed intent language associated with the FY 2014 increase.

## LEGISLATIVE ACTION

The Executive Appropriations Committee requests that each subcommittee decide whether or not to accept new ARRA funding for FY 2013 and FY 2014.

1. The Analyst recommends that the Social Services Appropriations Subcommittee approve increased ARRA funds of \$2,250,700 for FY 2013 and \$21,908,600 for FY 2014 for the Department of Health.
2. The Analyst recommends the adoption of the intent language starting on page one for all line items with ARRA funding in FY 2014 except Medicaid Optional Services.

## DISCUSSION AND ANALYSIS

### ***Limitations on ARRA Spending***

Intent language put the following conditions on all of the money passed in FY 2012 and FY 2013 (except for Health Care Financing and Medicaid Optional Services):

*All General Funds appropriated to the Department of Health - Executive Director's Operations line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriations bills passed for FY 2012. If expenditures in this line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to this line item from Federal Funds - American Recovery and Reinvestment Act in FY 2012, the Division of Finance shall reduce the General Fund allocations to this line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.*

For FY 2014 the Analyst recommends adoption of the following language for every line item where ARRA money is anticipated except for Medicaid Optional Services:

*All General Funds appropriated to the Department of (agency name) - (line item name) line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2014. If expenditures in the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act in FY 2014, the Division of Finance shall reduce the General Fund allocations to the (line item name) line item by one dollar for every one dollar in*

*Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.*

### ***FY 2012 Stimulus Funds – Spent vs Approved***

The table below details the ARRA money approved vs the ARRA money spent in FY 2012.

ARRA in FY 2012	Approved	Spent	Higher/(Lower) Than Anticipated
Medicaid Optional Services	\$25,000,000	\$12,191,000	(\$12,809,000)
Family Health and Preparedness	\$2,543,800	\$2,108,200	(\$435,600)
Executive Director's Operations	\$3,132,700	\$1,988,800	(\$1,143,900)
Disease Control and Prevention	\$1,189,900	\$1,159,900	(\$30,000)
Medicaid and Health Financing	\$708,500	\$394,100	(\$314,400)
Medicaid Mandatory Services	\$0	\$1,900	\$1,900
<b>Total</b>	<b>\$32,574,900</b>	<b>\$17,843,900</b>	<b>(\$14,731,000)</b>

As noted in the table above, the Department of Health recorded spending \$14,731,000 less ARRA money than was approved by the Legislature.

### ***FY 2012 Stimulus Funds – How Was the Money Used?***

The money in FY 2012 was used for the following:

1. Medicaid Optional Services & Medicaid Mandatory Services – **Health Information Technology** – \$12,191,000 for payments to health care providers for adopting electronic health care records and achieving meaningful use.
2. \$2,108,200 for Family Health and Preparedness Services for increased services in **Baby Watch/Early Intervention** as well as training and technology upgrades.
3. Executive Director's Operations – **Health Information Technology** - \$1,988,800 to expand participation in Utah's Clinical Health Exchange System. The money will also be used to support and develop the statewide Master Patient Index.
4. \$1,159,900 for **Disease Control and Prevention** for ten different grants, but primarily for electronic health records improvements, improve online information access for providers to immunization records, tobacco quit line outreach, and arthritis self-management and education.
5. Health Care Financing – **Health Information Technology** – \$394,100 for expanding participation in and sharing of electronic health records.

### ***FY 2013 Stimulus Funds – Previously Approved***

1. Medicaid Optional Services – **Health Information Technology** – \$74,000,000 for payments to health care providers for adopting electronic health care records and achieving meaningful use.
2. Executive Director's Operations – **Health Information Technology** – \$740,300 to expand participation in Utah's Clinical Health Exchange system, create the supports needed for a statewide Master Patient Index, and develop systems for sharing the electronic health information of patients with chronic conditions amongst providers.
3. Health Care Financing – **Health Information Technology** –\$463,300 for expanding participation in and sharing of electronic health records.
4. Family Health and Preparedness Services – \$435,900 to create a comprehensive **early childhood data warehouse**.

5. Disease Control and Prevention – \$81,700 to improve the interoperability between medical providers and the Utah Statewide Immunization Information System.

***Stimulus Funds FY 2013 & FY 2014 – Requesting Approval***

1. Medicaid Optional Services – **Health Information Technology** – \$21,000,000 in FY 2014 for payments to health care providers for adopting electronic health care records and achieving meaningful use.
2. Executive Director's Operations – **Health Information Technology** – \$1,113,700 in FY 2013 and \$185,900 in FY 2014 to expand participation in Utah's Clinical Health Exchange system, create the supports needed for a statewide Master Patient Index, and develop systems for sharing the electronic health information of patients with chronic conditions amongst providers.
3. Health Care Financing – **Health Information Technology** – \$710,200 in FY 2013 and \$722,700 in FY 2014 for expanding participation in and sharing of electronic health records.
4. Family Health and Preparedness Services – \$250,000 in FY 2013 to create a comprehensive **early childhood data warehouse**.
5. **Disease Control and Prevention** – \$140,900 in FY 2013 to improve the interoperability between medical providers and the Utah Statewide Immunization Information System. \$19,700 in FY 2013 for nutrition improvement education for child care providers. \$16,200 in FY 2013 for tobacco control, reduction, and cessation education training for staff of institutional facilities.

ARRA in FY 2013	Already Approved	Change Requested
Medicaid Optional Services	\$74,000,000	\$ -
Executive Director's Operations	\$740,300	\$ 1,113,700
Executive Director's Operations	\$463,300	\$ 710,200
Family Health and Preparedness	\$435,900	\$ 250,000
Disease Control and Prevention	\$81,700	\$ 176,800
<b>Total</b>	<b>\$75,721,200</b>	<b>\$2,250,700</b>

The FY 2013 approved amount of \$75,721,200 reflects what was approved at the conclusion of the 2012 General Session. As is done annually with all funding sources, the agency has updated their estimated ARRA funds for FY 2013. In this case the estimated funds increased by \$2,250,700. The table above shows additional ARRA funds by line item.

The Department of Health requests a total of \$21,908,600 ARRA funds for FY 2014 in the line items shown in the table below:

ARRA in FY 2014	Request
Medicaid Optional Services	\$21,000,000
Medicaid and Health Financing	\$722,700
Executive Director's Operations	\$185,900
<b>Total</b>	<b>\$21,908,600</b>

***Additional information on all ARRA funds used in Utah***

- [www.recovery.utah.gov](http://www.recovery.utah.gov)
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