

UTAH DEPARTMENT OF HEALTH

Division of Medicaid and Health Financing CHIP Consensus Reduction FY 2014 and FY 2015

Background:

The Children's Health Insurance Program caseload changes are from the consensus forecast. The consensus included a reduction of \$4,000,000 one-time General Funds (\$19,147,900 total funds) and a reduction of \$500,000 ongoing General Funds (\$2,453,700 total funds).

(See also LFA Issue Brief entitled "Medicaid Consensus Forecasting").

Requested Amount

Recommended Budget Amount (Revenue):

FY 2014 General Funds Decrease One Time:	(\$4,000,000)
FY 2014 Federal Funds One Time:	<u>(\$15,147,900)</u>
Total Funds:	(\$19,147,900)
FY 2015 General Funds Decrease Ongoing:	(\$500,000)
FY 2015 Federal Funds One Time:	<u>(\$1,953,700)</u>
Total Funds:	(\$2,453,700)

Budget Amount (Expense):

FY 2014 Pass Through Payment to Providers	(\$19,147,900)
FY 2015 Pass Through Payment to Providers	(\$2,453,700)

Description of Expenditures

The CHIP expenses consist of contracts with Select Health and Molina to take care of the medical needs of CHIP children. In addition, DOH has contracts with Denta Quest and Premier Access to take care of Utah's dental services for CHIP children ranging from preventive to major dental care.

Performance Measure

The existing CHIP line item performance measures still apply.

For more information contact:
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**Medicaid Mandatory & Optional Consensus Items
Ongoing Funding for FY 2015**

Background:

During November 2013 a number of adjustments to the Medicaid program budgets were considered and approved in a single consensus building block. The following is a summary of the total Consensus amount:

- Caseload Reduction: Mandatory – GF (\$2,900,000); Optional – GF (\$1,158,400)
- Federally Mandated ACA Increase: Mandatory – GF \$12,528,100; Optional – GF \$5,271,900
- Federal Medical Assistance Percentage (FMAP) Adjustment: anticipated savings due to changes to the Federal match rate. Mandatory - GF (\$3,579,200); Optional - GF (\$1,036,700)
- Forced Provider Inflation: estimated amount is primarily for pharmacy, buy-in, and crossovers. Mandatory - GF \$374,000; Optional - GF \$1,665,400
- Preferred Drug List (PDL) Savings: anticipated savings in the pharmacy area. Optional - GF (\$1,500,000)
- ACO Provider Rate Increase: inflationary increase. Mandatory - GF \$3,434,900.

Total: Mandatory = GF \$9,857,800; Optional = GF \$3,242,200

Grand Total: GF \$13,100,000

Requested Amount

Recommended Budget Amount (Revenue):

General Fund:	\$13,100,000
Federal Funds:	<u>\$43,700,000</u>
Total Funds:	\$56,800,000

Budget Amount (Expense):

Pass Thru/Other	<u>\$56,800,000</u>
Total Funds:	\$56,800,000

Performance Measures

- ACA forecast enrollment compared to actuals
- PDL forecast savings compared to actuals
- ACO premium increases compared to general fund growth

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**Medicaid Caseload
One-time Decrease for FY 2014**

Background:

Ongoing funding in fiscal year 2014 will be sufficient to cover caseload growth. The Department of Health (DOH), Division of Medicaid and Health Financing (DMHF) will be able to return \$48.5 million in one-time General Funds. The reason for the return in one-time funds is related to:

- A non-lapsing balance of \$38.0 million was carried forward from FY 2013 to FY 2014. Approximately \$4.1 million of this carry forward amount is directly related to the special appropriation for the Autism Waiver.
- The expected caseload for ACA expansion in FY 2014 is not as high as appropriated (\$5.6 million savings).
- Caseload changes, recoveries, FMAP and other savings as agreed upon in the Consensus process (\$4.9 million savings).

Requested Amount

Recommended Budget Amount (Revenue):

General Fund:	(\$48,500,000)
Federal Funds:	(\$110,528,000)
Total Funds:	(\$159,028,000)

Budget Amount (Expense):

Pass Thru/Other (Payments to Providers)	(\$159,028,000)
Total Funds:	(\$159,028,000)

Description of Expenditures

Pass Thru expenditures are payments made by the Utah Medicaid program to hospitals, doctors, Accountable Care Organizations, and other providers. These payments are for people

- who qualify for a category of Medicaid;
- who have low income or cannot afford the cost of health care;
- who have resources under the federal limit for the category of Medicaid.

Performance Measures

The existing Medicaid performance measures still apply.

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