

Preliminary UtahAccess+ Cost Shares

	B	C	D	E	J	L	M	N	Q	U	V
1	Provider Service Class (Per Federal Regulation)	Who/What	# of Entities	Method	Total Annual Target FY 17 & 18	Initial Rate	FY 17 & 18 Annual Minimum Tax Liability	FY 17 & 18 Annual Maximum Tax Liability	Total Target FY 2021	FY 2021 Minimum Tax Liability	FY 2021 Maximum Tax Liability
3	Outpatient Hospital	Hospitals	63	Assessment	\$9,330,700	3.165%	\$10	\$2,622,000	\$13,652,400	\$20	\$3,840,000
4	Inpatient Hospital	Hospitals	63	Assessment	\$6,768,300	\$23.93/discharge	\$1,600	\$1,884,300	\$9,903,100	\$2,300	\$2,760,000
5	Physician	Physicians, Surgeons, Osteopathic, Naturopathic, and Physician Assistants	8,008	Licensing Fee	\$6,384,600	N/A	\$797	\$797	\$9,341,600	\$1,170	\$1,170
6	Outpatient Prescription Drugs	Pharmacy Benefit Managers	21	Gross Receipts Tax	\$191,700	0.018%	\$1	\$63,000	\$280,400	\$1	\$90,000
7	Outpatient Prescription Drugs	Pharmacies	1,400	Licensing fee	\$344,500	N/A	\$246	\$246	\$504,000	\$360	\$360
8	Outpatient Prescription Drugs	Drug Manufacturers (Generic)	12	Gross Receipts Tax	\$709,400	0.51%	\$25	\$180,000	\$1,038,000	\$37	\$260,000
9	Outpatient Prescription Drugs	Drug Manufacturers (Brand)	70	Gross Receipts Tax	\$3,169,800	0.39%	\$20	\$580,000	\$2,481,700	\$15	\$450,000
10	Outpatient Prescription Drugs	Drug Manufacturers (Brand)	N/A	Preferred Drug List	\$850,000	N/A	N/A	N/A	\$3,400,000	N/A	N/A
11	Health Insurance Premium Tax	Health Plans (Individual)	25	Premium Tax	\$2,512,600	0.8%/0.6%	\$0	\$2,040,000	\$3,676,300	\$0	\$1,990,000
12	Health Insurance Premium Tax	Health Plans (Small and Large Group) & Medicaid Accountable Care Org.	19	Premium Tax	\$872,400	0.035%/0.02%	\$2	\$450,000	\$1,021,200	\$2	\$440,000
13	Health Insurance Premium Tax	Stop Loss Insurers	34	Premium Tax	\$350,800	0.38%/0.25%	\$60	\$90,000	\$408,500	\$50	\$90,000
14	Psychological	Residential Treatment Centers, Recovery Residences, Psychologists, Certified/Clinical Social Workers, Clinical Mental Health Counselor, and Marriage and Family Therapists	6,317	Licensing Fee + Gross Receipts Tax	\$2,314,600	0.26%	\$50	\$60,000	\$3,386,600	\$50	\$100,000

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2											
15	Home Health Care	Home Health Agencies, Durable Medical Equipment, and Medical Suppliers	1,001	Gross Receipts Tax	\$431,400	0.013%	\$1	\$70,000	\$631,200	\$1	\$110,000
16	Ambulatory Surgical Center	Ambulatory Surgical Centers	46	Gross Receipts Tax	\$353,500	0.10%	\$6	\$320,000	\$475,500	\$9	\$430,000
17	Freestanding Laboratory and X-Ray	Freestanding Clinical Labs, X-Ray Facilities	160	Gross Receipts Tax	\$234,400	0.50%	\$3	\$180,000	\$319,800	\$4	\$240,000
18	Emergency Ambulance	Ambulance Service Providers	80	Assessment	\$197,600	\$2.09/transport	\$50	\$33,600	\$289,100	\$70	\$50,000
19	Therapist	Physical Therapists, Occupational Therapists, Speech Therapists, Audiologists, and Respiratory Care Practitioners	4,731	Licensing Fee	\$148,900	N/A	\$31	\$31	\$217,800	\$50	\$50
20	Podiatric	Podiatric Physicians	160	Licensing Fee	\$94,800	N/A	\$593	\$593	\$138,700	\$870	\$870
21	Optometric/Optician	Optometrists	360	Licensing Fee	\$88,000	N/A	\$244	\$244	\$128,800	\$360	\$360
22	Chiropractic	Chiropractic Physicians	806	Licensing Fee	\$77,800	N/A	\$97	\$97	\$113,800	\$140	\$140
23	Nursing Facility	Nursing Homes	100	Assessment	\$61,000		\$2	\$1,607	\$89,200	\$3	\$2,300
24	Nursing	Certified Nurse Midwives, Registered Nurses, Nurse Anesthetists, Licensed Practical and Vocational Nurses, and Advanced Practice Registered Nurses	31,714	Licensing Fee	\$47,500	N/A	\$1.50	\$1.50	\$69,500	\$2	\$2
25	Total		55,190		\$35,534,300				\$51,567,200		

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26	Assumptions/Notes:										
27	The assessment level by provider class is based primarily on PEHP's non-Medicare claims for its member ages 18-64 by provider category from calendar year 2014. The utilization of psychological services is based on Milliman's estimate.										
28	Other adjustments to the PEHP data include: (1) removing savings associated with the Justice Reinvestment Initiative due to Medicaid expansion and (2) 10% administrative costs for managed health care plans.										
29	When comparing the PEHP break out to Medicaid spending on adults, PEHP does not have the following separate provider categories: (1) rural health clinics, (2) buy out, and (3) federally-qualified health centers.										
30	In order to meet federal requirements for uniformity in provider assessments all providers within each group would be assessed in the same manner.										
31	The physician provider count is based on physicians (and physician assistants) holding a license to prescribe controlled substances.										
32	Assessments on professionals would exclude inactive licenses and those only providing charity care.										
33	Provider (entity) counts for professional services categories include those professionals with addresses within Utah (out of state addresses with license renewals are excluded in the entity count).										
34	Staff assumed the managed care organization gross revenues by subgroup from expansion based on Milliman's estimate of 72% of costs projected to be spent on qualified health plans (individual plans). Another 8% of costs is projected for employer sponsored insurance (stop loss insurance). Final 20% on traditional Medicaid via accountable care organizations (small and large group).										
35	The ongoing administrative cost with collecting the provider assessments is included in the target figures and ranges from \$400,000 for FY 17/18 to \$500,000 for FY 21.										
36	There is \$4.0 million in one-time administrative costs associated with starting and setting up these providers assessments.										
37	The estimated state administrative cost for collections on providers are rough estimates from the assigned state agency prior to talking to any other entities.										
38	The proposed collection systems are an attempt by staff to use an existing state-business/individual relationship to collect the desired assessment. Some charges could be a surcharge added to existing licensing fees. For licensing fees collected bi-annually, the tax liability for two years would be collected at licensing.										
39	All "licensing fees" in the "method" column would be collected bi-annually with the regular licensing cycle, so the amount paid at licensing would be for two years (twice the amount listed in the annual tax liabilities column).										
40	The federal government limits provider assessments two ways (1) no more than 25% of all state match can come from private provider assessments (although according to CMS this rule is not currently enforced) and (2) cannot charge more than 6% of provider revenues.										
41	The federal government is currently not enforcing the 25% limitation on the state's share of funding coming from the collection of provider taxes. The federal statute is ambiguous as to whether the 25% limitations still applies. A cautious approach would suggest that the state stay within the 25% limitation.										
42	The current provider assessment levels are (1) private hospitals 1.8%, (2) nursing homes 6%, (3) intermediate care facilities 5.3%, and (4) ambulance providers 1.7%.										
43	The current hospital assessment excludes the University of Utah and other government-affiliated hospitals. Those hospitals pay via an intergovernmental transfer.										
44	FY 2016 projected total assessments from private providers for services (before expansion) are \$80.3 million. 25% of all state match for FY 2017 (estimated) Medicaid actuals is \$200 million vs total projected assessments under this model of \$115 million or 14% with \$85 million in room for more assessments. By FY 2021 25% of state match is projected at \$260 million vs projected use of \$145 million or 14% with \$115 million in room for more assessments. These figures currently include new hospital assessments including the University of Utah system (\$5 million in FY 2017/2018 and \$7 million in FY 2021) which has the option of being done as an intergovernmental transfer and not counted against the cap.										

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45	The PEHP data indicated that the following provider service classes would not receive significant increased revenues from Medicaid expansion and therefore not pay any assessments: intermediate care facility for individuals with intellectual disabilities and dental.										
46	Some fees where the recoupment per provider is smaller, a flat fee would be assessed where larger amounts per provider would be done based on gross receipts or some other measure of provider volume.										
47	Gross receipts taxes cannot be applied to payments received from the federal government for medical services. Currently the min/max tax liability figures include revenues from all sources.										
48	Managed care organization assessments would not start until calendar year 2017, this allows them time to adjust their premium rates to include the taxes. The first revenue will come in FY 2018 and the annual target and liabilities listed is really the annual target for FY 18 and FY 19. The first tax year 2017 tries to recoup 18 months of benefit received, which why the liabilities are similar to FY 2021 liabilities.										
49	Definitions for "Method" Column:										
50	Assessment - proposed surcharge to existing facility licensing fees to be collected by licensing agency (Departments of Health).										
51	Gross receipts tax - new tax based on the gross receipts of a business/individual.										
52	Licensing fee - proposed surcharge to existing professional fees, these are currently charged every two years by the Department of Commerce or annually by the Department of Human Services (some of its licenses are on a bi-annual schedule).										
53	Premium tax - new tax on a health plan's premiums to be collected by the Tax Commission or the Department of Insurance.										
54	Sources:										
55	LFA calculations based on Tax Commission, DWS, BLS, and Moody's data										
56	Milliman file for S.B. 164 fiscal note from 2015 General Session										
57	https://medicaid.utah.gov/Documents/pdfs/annual%20reports/medicaid%20annual%20reports/MedicaidAnnualReport_2014.pdf										
58	https://insurance.utah.gov/health/documents/2014HlthInsMrktRpt.pdf										
59	http://le.utah.gov/interim/2015/pdf/00001182.pdf										
60	http://le.utah.gov/interim/2015/pdf/00001318.pdf										
61	U.S. Census Bureau, Economic Census, Pembroke Consulting, and Moody's Investor Services. Data are available for various years, depending on the industry. Projections by Fiscal Analyst.										
62	http://hslic.utah.gov/db-search/										
63	RAND Corporation and Federal Form 5500										
64	Milliman memorandums July 2014										
65	Information provided by the Department of Health July to September 2015										
66	Information provided by the Division of Occupational and Professional Licensing July to September 2015										
67	Information provided by the Tax Commission August 2015										
68	Information provided by the Department of Insurance September 2015										
69	Information provided by the Department of Human Services September 2015										