



LOCAL AUTHORITY MENTAL HEALTH MEDICAID MATCH REPORT

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

SUMMARY

In its 2014 and 2015 General Sessions, the Legislature appropriated \$6.4 million one-time General Fund to assist local mental health authorities to pay for their mental health Medicaid match. Local authorities (counties) use the match to meet the local mental health and substance abuse disorder needs that exist in their areas. The Utah Association of Counties (UAC) states, "In addition to the \$6.4 million provided by the Legislature, the counties are currently matching that \$6.4 million with 20 percent local matching funds (\$1,280,000) as required by UCA 17-43-301(4)(a)(x). In turn, the State and local funds are then being used to draw down additional federal Medicaid Funds." In addition to the appropriation, the Legislature also passed intent language in 2015 indicating that the \$6.4 million General Fund appropriation was for one year only until local authorities could find ways to provide their own matching funds in the future. The intent language also required the local mental health authorities to report plans to provide their own matching funds in the future to the Office of the Legislative Fiscal Analyst (S.B. 2, Item 82). Local mental health authorities have provided a report to the LFA. The report, titled, [*Local Mental Health Authority Medicaid Match Social Services Appropriations Sub-Committee Legislative Report*](#), can be found at: <http://le.utah.gov/interim/2015/pdf/00003967.pdf>. The local authority report describes the need for the state to "continue to partner with the local mental health authority and fund a portion of the federal match" on an ongoing basis and does not address plans on the part of local authorities to "provide their own matching funds in the future." Table 2 indicates the \$6.4 million provided to local authorities was used directly to assist them in meeting Medicaid match. Doing so, however, freed up \$3.5 million already provided for match prior to the Legislature providing additional assistance. This \$3.5 million was then used by local authorities to "provide additional assistance to other statutorily defined and required populations outside of Medicaid." The section below titled, *Potential Sources Available for Local Authorities to Cover the Increase in Match*, provides estimates of the amount of a local property tax increase or sales tax increase that would be required, by county, if the Legislature should consider the potential of using one of these local options compared to funding the \$6.4 million with state General Fund. This issue brief is for information purposes only. No action is required by the Legislature unless desired.

Overview

Background

In 1986 the Legislature determined that local authorities (counties) would be responsible for public mental health services in Utah. In subsequent years Medicaid has become the largest financing source for these mental health services. Medicaid provided 61percent of the funding for FY 2013. The Medicaid program requires that state partners (including counties) pay for a portion of Medicaid expenditures called Medicaid match. The total FY 2013 Utah Medicaid match requirement was approximately 30 percent of the total Medicaid expenditures. Local authorities argue that local mental health Medicaid caseload growth has exceeded the growth in available Medicaid match funding sources and that this pressure affects all counties. In FY 2013, 73 percent of the match was paid for with State General Fund received by the counties as pass through while 27 percent was paid using county General Fund sources. During the 2015 General Session the Legislature provided an additional \$6.4 million one-time to counties to assist them in paying for Medicaid match. By statute, counties are required to make an additional 20 percent contribution. Counties are now looking to the state to make the \$6.4 million ongoing.

2015 General Session Intent Language regarding Local Mental Health Medicaid Match

The Legislature intends that the one-time General Fund appropriation of \$6,400,000 to the Department of Human Services for Local Authority Mental Health Medicaid Match is provided to assist local mental health authorities for one year until they can find ways to provide their own matching funds in the future. The Legislature further intends the local mental health authorities report their plans to provide their own matching funds in the future to the Office of the Legislative Fiscal Analyst by September 1, 2015 [Senate Bill 2, Item 82 (for FY 2016)].

Local Authority Rationale for Requesting State Funds to Assist in Meeting Medicaid Match

The counties make the following argument for requesting additional funds to assist them in meeting their Medicaid match obligations:

“Over the past 20 years as Medicaid Eligible’s have increased there has been no established funding mechanism in place to keep pace with the increased need for funding with regard to Medicaid mental health services. Medicaid Match need has increased at a faster rate than allocated State and County dollars. LMHAs have had to shift funds they previously used for Safety Net Services for the uninsured or underinsured to pay Medicaid Match. For example, in 1996, one LMHA, Bear River Mental Health (BRMH), spent forty four percent (44%) of their eligible State General Fund dollars toward Medicaid Match. In contrast, in 2013 BRMH spent one hundred percent (100%) of their eligible State General Fund dollars toward Medicaid Match leaving only \$179,769 dollars allocated specifically for the uninsured/underinsured for Safety Net Services for Box Elder, Cache and Rich County residents . . . The \$6.4 million allowed Counties to use close to \$3.5 million to provide additional assistance to other statutorily defined and required populations outside of Medicaid. Even with the \$6.4 million, which has been appropriated one-time for two fiscal years, the State continues to underfund existing need for mental health services.”

Potential Sources Available for Local Authorities to Cover the Increase in Match

As an alternative to the state being the sole funding source for this requested increase, Legislative staff have provided Table 1 that gives an estimate, by county, of a local sales tax or property tax increase needed to fund the \$6.4 million local mental health Medicaid match being discussed in this issue brief. The Legislature could also determine to leave the decisions to counties regarding priorities and whether to increase taxes or to reduce other programs in order to fund the increase in Medicaid match.

Estimated Sales Tax Increase or Property Tax Increase to Cover \$6.4 Million for Local Mental Health Medicaid Match				
County	Property Taxable Value	Necessary Property Tax	Sales Taxable Base	Necessary Sales Tax
BEAVER	1,196,767,186	34,200	105,333,033	13,000
BOX ELDER	4,230,563,046	120,500	565,787,560	69,800
CACHE	6,204,412,706	176,700	1,514,747,630	187,000
CARBON	1,939,374,397	55,200	425,133,011	52,500
DAGGETT	284,129,189	8,100	16,446,258	2,000
DAVIS	18,720,694,355	533,200	4,550,828,027	561,800
DUCHESNE	2,854,984,290	81,300	895,537,223	110,600
EMERY	2,097,317,886	59,700	139,401,187	17,200
GARFIELD	618,702,385	17,600	120,704,435	14,900
GRAND	1,571,324,627	44,800	390,269,774	48,200
IRON	3,294,486,237	93,800	656,571,519	81,100
JUAB	890,015,257	25,400	96,864,627	12,000
KANE	1,197,097,291	34,100	164,657,451	20,300
MILLARD	2,446,169,462	69,700	193,271,119	23,900
MORGAN	962,303,630	27,400	93,314,785	11,500
PIUTE	118,974,815	3,400	9,987,638	1,200
RICH	828,585,746	23,600	19,625,846	2,400
SALT LAKE	84,151,109,940	2,397,000	22,940,972,955	2,832,200
SAN JUAN	799,619,100	22,800	184,644,166	22,800
SANPETE	1,177,286,639	33,500	228,738,493	28,200
SEVIER	1,413,214,614	40,300	376,419,822	46,500
SUMMIT	15,891,763,196	452,700	1,570,919,880	193,900
TOOELE	4,087,725,566	116,400	633,731,346	78,200
UINTAH	5,978,365,346	170,300	1,470,012,013	181,500
UTAH	32,009,987,293	911,800	7,555,120,301	932,700
WASATCH	4,110,776,957	117,100	429,459,722	53,000
WASHINGTON	12,475,943,319	355,400	2,733,717,746	337,500
WAYNE	306,049,351	8,700	39,518,587	4,900
WEBER	12,826,167,956	365,300	3,719,454,179	459,200
STATEWIDE	224,683,911,782	6,400,000	51,841,190,333	6,400,000

Table 1

Table 2 indicates the \$6.4 million provided in FY 2015 to local authorities was used directly to assist them in meeting Medicaid match. Doing so, however, freed up \$3.5 million already provided for match prior to the Legislature providing additional assistance. This \$3.5 million was then used by local authorities to “provide additional assistance to other statutorily defined and required populations outside of Medicaid.”

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Medicaid Match Totals by Local Authority

Authority	2012	2013	2014	2015	Difference
Bear River	\$ 1,729,271.31	\$ 2,062,934.86	\$ 2,279,782.65	\$ 1,981,250.34	\$ 251,979.03
Central Utah	\$ 1,075,947.00	\$ 1,166,947.00	\$ 1,226,119.00	\$ 1,143,481.00	\$ 67,534.00
Davis County	\$ 3,083,601.21	\$ 2,701,253.84	\$ 3,537,931.50	\$ 3,290,011.19	\$ 206,409.98
Four Corners	\$ 826,912.00	\$ 944,063.00	\$ 1,050,358.00	\$ 1,026,248.00	\$ 199,336.00
Northeastern	\$ 688,877.00	\$ 772,338.00	\$ 1,340,889.00	\$ 1,284,598.00	\$ 595,721.00 *
Salt Lake	\$ 14,694,378.00	\$ 16,270,369.00	\$ 16,342,079.00	\$ 18,051,202.07	\$ 3,356,824.07
San Juan	\$ 151,587.69	\$ 191,986.91	\$ -	\$ -	\$ (151,587.69) *
Southwest	\$ 1,761,946.00	\$ 1,987,390.00	\$ 2,264,180.00	\$ 2,175,724.00	\$ 413,778.00
Summit	\$ 160,561.80	\$ 191,909.36	\$ 215,172.16	\$ 222,056.32	\$ 61,494.52
Tooele	\$ 946,760.99	\$ 1,132,344.08	\$ 1,212,556.96	\$ 1,125,367.45	\$ 178,606.46
Utah County	\$ 521,495.03	\$ 748,053.88	\$ 814,547.83	\$ 674,537.18	\$ 153,042.15
Wasatch	\$ 5,578,308.00	\$ 5,796,700.00	\$ 6,034,029.00	\$ 6,138,695.00	\$ 560,387.00
Weber	\$ 2,754,308.92	\$ 3,355,884.98	\$ 3,414,156.34	\$ 3,671,077.75	\$ 916,768.83
Grand Total	\$ 33,973,954.95	\$ 37,322,174.91	\$ 39,731,801.44	\$ 40,784,248.30	\$ 6,810,293.35

* San Juan was merged with Northeastern in 2014

Table 2

Source: Utah Association of Counties and Department of Human Services Memo to Office of the Legislative Fiscal Analyst, Analysis of the history or use of Medicaid Matching Funds by Local Health Authorities, Appendix 1, December 1, 2015.