

FISCAL NOTE

H.B. 141 1st Sub. (Buff)

SHORT TITLE: Health Reform Amendments

SPONSOR: Dunnigan, J. (Dunnigan, J. Sub.)

2014 GENERAL SESSION

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Costs to the Department of Insurance to implement the risk adjustment program established in the bill could be \$265,500 annually. The first year of cost could be covered by a federal grant subsequent costs could be covered through fee revenue accruing to the Individual and Small Employer Risk Adjustment Enterprise Fund. The Department of Insurance could also experience one-time costs of \$2,300 for rule development. Spending from the Insurance Department Restricted Account affects annual transfers to the General Fund.

Enrollment data provided to the Medicaid Office of Inspector General to determine insurance enrollment may result in ongoing increased recoveries of \$1,000,000 for the General Fund beginning in FY 2015.

The bill creates a program to provide health care to individuals with incomes under 100% of the federal poverty level in 2015 and 2016. The actual cost of the program is subject to appropriations.

The program could cost up to \$150,000,000 one-time General Fund in 2015 and 2016 to provide health care up to 54,400 adults with dependent children or medically frail individuals. Any federal funds obtained could offset state costs. Current federal match rate for Medicaid in FY 2015 is 70.51% and would provide \$106,000,000 in federal funds if approved by the federal government.

STATE BUDGET DETAIL TABLE

	FY 2014	FY 2015	FY 2016
Revenue:			
General Fund	\$0	\$1,000,000	\$1,000,000
General Fund, One-Time	\$0	(\$2,300)	\$0
Restricted Funds	\$0	(\$265,500)	\$0
Restricted Funds	\$0	\$267,800	\$265,500
Total Revenue	\$0	\$1,000,000	\$1,265,500
Expenditure:			
Federal Funds	\$0	\$265,500	\$0
Restricted Funds	\$0	(\$265,500)	\$0
Restricted Funds	\$0	\$267,800	\$265,500
Total Expenditure	\$0	\$267,800	\$265,500
Net Impact, All Funds (Rev.-Exp.)	\$0	\$732,200	\$1,000,000
Net Impact, General/Education Funds	\$0	\$997,700	\$1,000,000

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LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

An estimated 40 companies could pay fees of \$6,637 annually for the risk adjustment program. Up to 54,400 adults with dependent children or medically frail individuals may receive access to health care in 2015 and 2016.

PERFORMANCE NOTE (JR 4-2-404): Required from Health by 3/4/2014

2/28/2014, 05:18 PM, Lead Analyst: Frandsen, R./Attorney: CJD

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