

# FISCAL NOTE

S.B. 272

SHORT TITLE: Expansion of Medicaid Program

SPONSOR: Davis, G.

2014 GENERAL SESSION

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

Enacting this bill could increase total costs for Medicaid by an estimated \$240 million in FY 2015 and \$540 million in FY 2016. By FY 2021 the total cost increase could be around \$725 million. In fiscal years FY 2015 through FY 2016, federal funding will cover these cost increases and reduce the State's share of costs. By FY 2021 the bill's General Fund cost could be an estimated \$60 million.

The bill deposits the General Fund cost share decrease of \$5.3 million in FY 2015 and \$11.7 million in FY 2016 into the Medicaid Growth Reduction and Budget Stabilization Account. The bill would also reduce the Education Fund's cost share by \$200,000 in FY 2015 and \$400,000 ongoing beginning in FY 2016. Finally, the bill would reduce the cost share born by restricted funds by \$1.2 million in FY 2015 and \$2.4 million ongoing beginning in FY 2016.

### STATE BUDGET DETAIL TABLE

|                                     | FY 2014 | FY 2015       | FY 2016        |
|-------------------------------------|---------|---------------|----------------|
| <b>Revenue:</b>                     |         |               |                |
| Federal Funds                       | \$0     | \$247,500,000 | \$556,900,000  |
| Restricted Funds                    | \$0     | \$5,300,000   | \$11,700,000   |
| Total Revenue                       | \$0     | \$252,800,000 | \$568,600,000  |
| <b>Expenditure:</b>                 |         |               |                |
| General Fund, One-Time              | \$0     | \$5,300,000   | \$11,700,000   |
| General Fund, One-Time              | \$0     | (\$5,300,000) | (\$11,700,000) |
| Education Fund                      | \$0     | (\$400,000)   | (\$400,000)    |
| Education Fund, One-Time            | \$0     | \$200,000     | \$0            |
| Federal Funds                       | \$0     | \$247,500,000 | \$556,900,000  |
| Restricted Funds                    | \$0     | (\$1,200,000) | (\$2,400,000)  |
| Total Expenditure                   | \$0     | \$246,100,000 | \$554,100,000  |
| Net Impact, All Funds (Rev.-Exp.)   | \$0     | \$6,700,000   | \$14,500,000   |
| Net Impact, General/Education Funds | \$0     | \$200,000     | \$400,000      |

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

Local government mental health and substance abuse services will be replaced for 10,600 individuals with full Medicaid coverage at a higher federal match rate which generates General Fund savings of about \$2,000,000 one-time in FY 2015 and \$4,000,000 for FY 2016. These savings then decline annually beginning in FY 2017 to about \$2,800,000 by FY 2021. County governments will also see savings for newly eligible inmates for Medicaid to cover some inpatient hospital medical costs.

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

Medicaid spending will increase by up to \$250 million for 136,100 individuals in FY 2015 and spending will increase to \$725 million for 160,100 people by FY 2021.

## PERFORMANCE NOTE (JR 4-2-404): Not Required

3/7/2014, 09:19 AM, Lead Analyst: Frandsen, R./Attorney: CJD

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