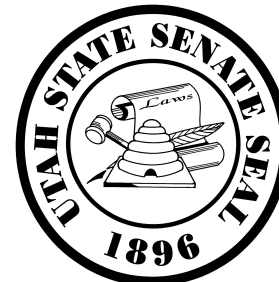




Fiscal Note
S.B. 96 4th Sub. (Pumpkin)
 2019 General Session
 Medicaid Expansion Adjustments
 by Christensen, A. (Dunnigan, James.)



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$45,300,000	\$(94,536,100)	\$(49,236,100)

State Government

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

Revenues	FY 2019	FY 2020	FY 2021
Federal Funds	\$0	\$(629,600,000)	\$(629,600,000)
Federal Funds, One-Time	\$(103,200,000)	\$222,963,900	\$215,900,000
Dedicated Credits	\$(12,000,000)	\$(90,200,000)	\$(95,500,000)
Medicaid Expansion Fund	\$53,020,000	\$116,000,000	\$108,000,000
Total Revenues	\$(62,180,000)	\$(380,836,100)	\$(401,200,000)

Enactment of this bill deposits the following amounts in the Medicaid Expansion Fund: \$12 million in FY 2019, \$89 million in FY 2020, and \$106 million ongoing in FY 2024 from the previously approved 0.15% sales tax increment; \$38.2 million one-time in FY 2019 and \$15 million ongoing beginning in FY 2020 from the General Fund; \$1,620,000 in FY 2019 and \$12,000,000 in FY 2020 from hospital assessments; and \$1.2 million from the Medicaid Restricted Account in FY 2019. Compared to current law, it could forgo federal funds of (\$103) million in FY 2019, (\$407) million in FY 2020, and (\$630) million ongoing in FY 2024 for the Medicaid program. Finally, it may reduce dedicated credits by: (\$12) million in FY 2019, (\$89) million in FY 2020, and (\$106) million ongoing in FY 2024 from sales tax no longer used as dedicated credits and (\$1.2) million in FY 2020 and (\$6.6 million) ongoing beginning in FY 2024 for less money from counties for mental health and substance abuse services. If the State implements a qualified Medicaid expansion, then in addition to the impacts listed above the State would receive more federal funds of \$213 million in FY 2021 and \$303 million ongoing in FY 2024.

Expenditures	FY 2019	FY 2020	FY 2021
General Fund	\$0	\$(45,300,000)	\$(45,300,000)
General Fund, One-Time	\$29,600,000	\$64,936,100	\$43,400,000
Federal Funds	\$0	\$(629,600,000)	\$(629,600,000)
Federal Funds, One-Time	\$(103,200,000)	\$222,963,900	\$215,900,000
Dedicated Credits	\$(16,500,000)	\$(114,400,000)	\$(126,900,000)
Medicaid Expansion Fund	\$30,100,000	\$181,400,000	\$112,500,000
Total Expenditures	\$(60,000,000)	\$(320,000,000)	\$(430,000,000)

This bill appropriates \$4.6 million one-time and \$15 million ongoing beginning in FY 2020 from the General Fund, plus \$18 million one-time from the General Fund Restricted - Medicaid Restricted Account for expanded Medicaid coverage. Enacting this bill could save the state an estimated (\$60) million from all sources in FY 2019, (\$320) million from all sources in FY 2020 and (\$690) million

ongoing from all sources in FY 2024 for expanded Medicaid by replacing current law with a Medicaid waiver. With regard to General Fund costs, because the bill accesses excess sales tax collections in FY 2019 and FY 2020 and requires a waiver that would reduce costs in years beyond FY 2020, when compared with current law and assuming waivers are approved, this bill could cost the state \$29.6 million from the General Fund in FY 2019 and \$19.6 million from the General Fund in FY 2020, then save the state (\$45.3) million ongoing from the General Fund beginning in FY 2024. Additionally, by serving 48,000 fewer individuals on Medicaid, less state match will be required of (\$42.3) million ongoing beginning in FY 2024. If the State implements a qualified Medicaid expansion, then in addition to the impacts listed above the State would spend more total funds of \$240 million in FY 2021 and \$340 million ongoing beginning in FY 2024. This would come at a cost to the State General Fund of \$3.8 million in FY 2021 and \$4.2 million ongoing in FY 2024. The total additional state match required would be \$27.5 million in FY 2021 and \$37.4 million ongoing in FY 2024.

	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Net All Funds	<u>\$(2,180,000)</u>	<u>\$(60,836,100)</u>	<u>\$28,800,000</u>

Local Government

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

Hospitals owned by a non-state government entity could pay a new inpatient hospital assessment of \$16,200 in FY 2019 and \$120,000 in FY 2020. If the State implements a qualified Medicaid expansion, then in addition to the impacts listed above hospitals owned by a non-state government entity could pay up to \$145,300 in FY 2021 and \$70,600 ongoing beginning in FY 2024 in additional inpatient hospital assessments if state costs exceed revenues available in the Medicaid Expansion Fund.

Individuals & Businesses

UCA 36-12-13(2)(d)

Under provisions enacted by this bill certain privately-owned hospitals would pay an additional inpatient hospital assessment totaling \$1,117,800 in FY 2019 and \$8,280,000 in FY 2020. The University of Utah teaching hospital would pay \$486,000 in FY 2019 and \$3,600,000 in FY 2020. The maximum permitted ongoing hospital assessment is reduced under this bill by \$10 million dollars. Compared to current law, approximately 48,000 recipients would avoid Medicaid co-pays and other related costs beginning in FY 2020 and also forgo expanded services. If the State implements a qualified Medicaid expansion, then in addition to the impacts listed above certain privately-owned hospitals could pay up to \$10,022,500 in FY 2021 and \$4,868,200 ongoing beginning in FY 2024 as well as the University of Utah teaching hospital paying up to \$4,357,700 in FY 2021 and \$2,116,700 ongoing beginning in FY 2024 in additional inpatient hospital assessments if state costs exceed revenues available in the Medicaid Expansion Fund. Approximately 45,000 recipients would pay Medicaid co-pays and other related costs beginning in FY 2021 in exchange for expanded services.

Regulatory Impact

UCA 36-12-13(2)(e)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.