

# Budget Brief – Medical Assistance

NUMBER HHS-05-08

## SUMMARY

Medical Assistance is a joint federal/state entitlement service that provides health care to selected low-income populations. The program is commonly referred to as Medicaid.

## ISSUES AND RECOMMENDATIONS

The Analyst recommends a budget for the Medicaid line item in the Department of Health for FY 2006 in the amount of \$1,447,929,500. This budget level funds the Medicaid Base Program, Title XIX for Human Services, and the Medical and Dental Clinics operated by the Medicaid program.

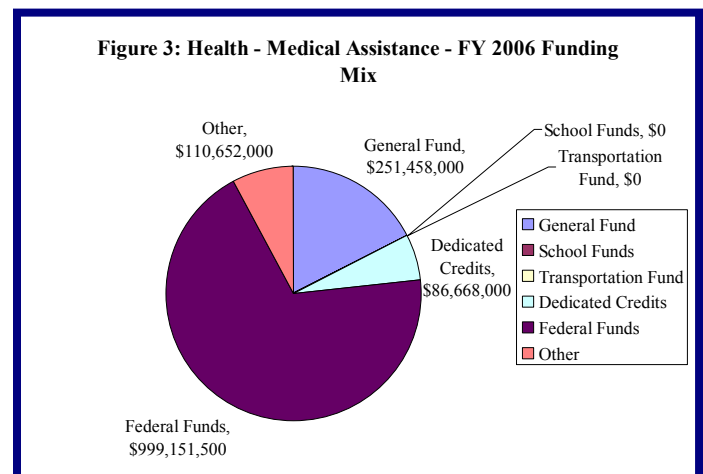
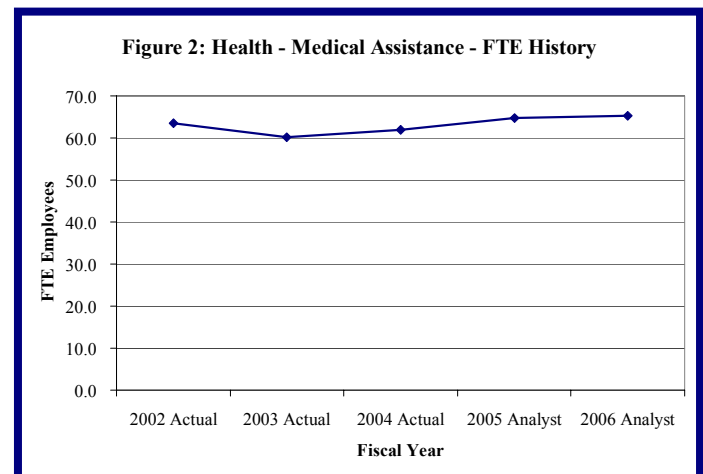
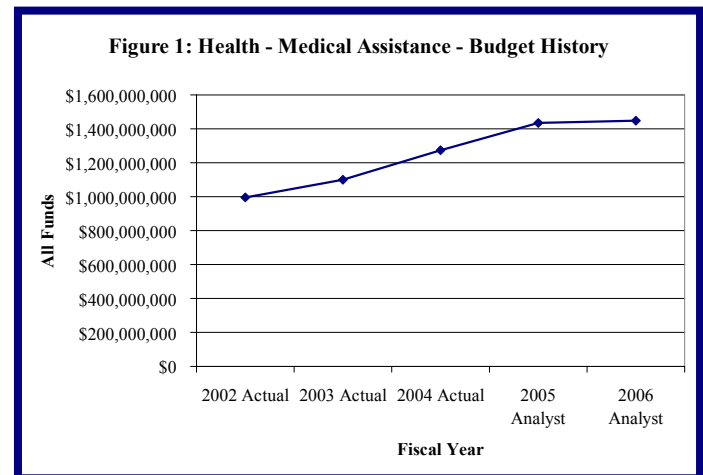
The Analyst's recommendation continues the Medicaid budget at FY 2005 levels. However, since Medicaid is an entitlement program, meaning that if someone is eligible for the program, he/she is entitled to receive the entire array of services, regardless of the funding level of the program. When this becomes a problem due to appropriation levels, the Legislature is notified and "optional" services and/or specific populations may be reduced.

Three specific areas of concern in this line item include the change in the Federal Medical Assistance Percentage (FMAP), growth in caseload and utilization, and inflation. Each of these is discussed in individual Issue Briefs (HHS-05-05 through HHS-05-07).

Briefly, the FMAP is the percentage of the total cost of the Medicaid program paid by the federal government. This percentage is decreasing by 0.93 percent, which translates to a loss of federal funds for the Medicaid program of \$9.3 million.

During the past few years as the economy has slowed, the number of people eligible for Medicaid has increased. Although the upward trend is still moving in that direction, it is showing a flattening trend. However, there is still anticipated growth in the Medicaid program in both the number of individuals qualified to receive Medicaid benefits, but also in the number of services being utilized by all Medicaid recipients. This is expected to put pressure on the program as the growth is projected to increase by 6 – 8%.

The state must provide adequate access to Medicaid services. One piece of this access is adequate reimbursement levels to providers. As medical costs



increase (at significantly faster rates than other costs), further pressure is exerted on the Medicaid program to pay for those higher costs. The Analyst is projecting a conservative 4.7 percent increase.

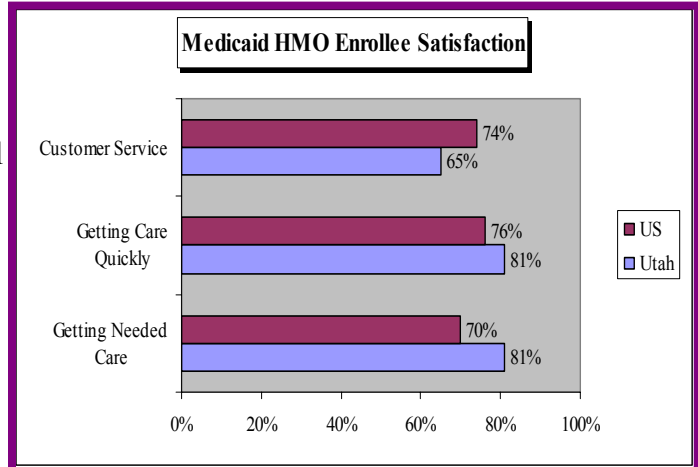
As discussed in Budget Brief HHS-05-07, the new Medicare Prescription Drug, Improvement and Modernization Act of 2003 will provide prescription drug benefits for individuals covered by Social Security. As of January 1, 2006, current Medicaid recipients who also are covered by Medicare will no longer have their prescriptions covered by Medicaid, but by Medicare. The federal government saw that there would be savings to the Medicaid program with this shift and included a “Phased-Down State Contribution”, commonly referred to as the “clawback” provision. This will decrease both the expenditures and the revenues in the Medicaid program. For a more complete discussion of this provision, see Issue Brief HHS-05-08.

During the 2004 Legislature, Medicaid inflation was addressed, but later, rates for Medicare Buy-in, one of the “mandatory” services, increased at a much higher rate than anticipated, leaving a shortfall of approximately \$500,000. This is addressed in Issue Brief HHS-05-11.

**ACCOUNTABILITY DETAIL**<sup>1</sup>

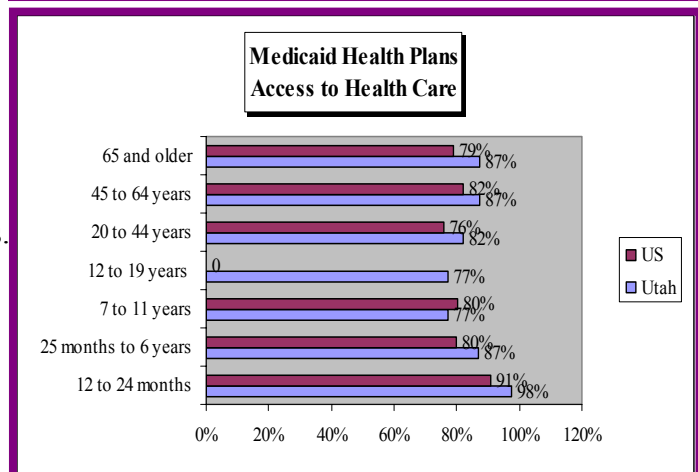
***Enrollee Satisfaction***

According to surveys, enrollees in Utah’s Medicaid HMOs, satisfaction is usually a little higher than national averages. The chart to the right demonstrates the satisfactions rates of Medicaid enrollees compared to national averages.



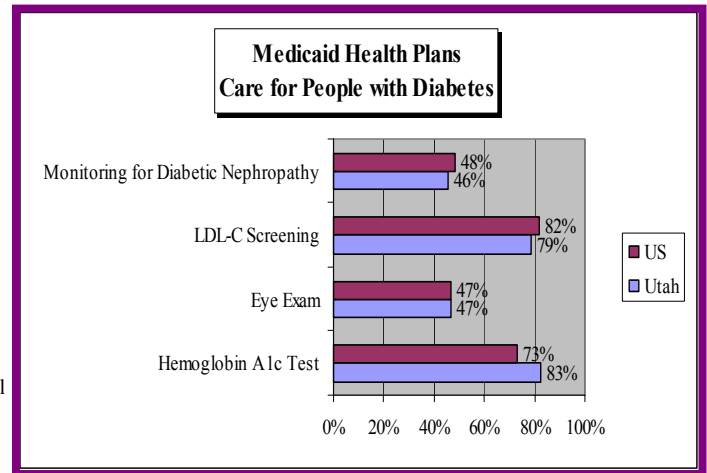
***Access to Health Care***

The graph to the right shows how well enrollees are able to access health care in the Medicaid program. In most cases, access for Utahns is greater than national averages.



### Care for People with Diabetes

The graph to the right shows the ability to receive care for those people who have diabetes who are Medicaid recipients. Generally, Utah is close to national averages.



<sup>1</sup> The information is attributable to the “2004 Performance Report for Utah Commercial HMOs and Medicaid and CHIP Health Plans”, Utah Health Data Committee and the Division of Health Care Financing, Department of Health, December 2004.

## BUDGET DETAIL

### *Budget Recommendation*

The Analyst recommends total funding in the amount of \$1,447,929,500 for the Medical Assistance line item. Of this amount \$251,458,000 is from the General Fund, \$999,151,500 is from Federal Funds, \$86,668,000 is from Dedicated Credits, \$9,800,000 is from the General Fund Restricted – Nursing Care Facilities Account, and \$100,852,000 is from Transfers. (The program has \$620,900 in nonlapsing balances that are restricted in usage by federal regulations). The recommendation covers the budgets for the Medicaid Base program, Title XIX for Human Services, and the Medical and Dental Clinics operated by the Department for Medicaid recipients.

### *Intent Language*

The 2004 Legislature approved several items of intent language. The first deals with methods of improving oral health, which are based upon additional funding. This intent language demonstrates the Legislature’s support for improving oral health and the Analyst recommends that it continue in FY 2006. The Legislature did appropriate \$1,000,000 in one-time funds for specific dental services for specific populations in the Medicaid program, along with intent language authorizing that services discontinue when the funding is depleted.

The Legislature also approved intent language instructing that reimbursement rates for nursing care facilities should be based on the Resources Utilization Group System (RUGS), phasing out through December 31, 2005. Even though this time frame is part of FY 2006, the Analyst recommends that the language discontinue, because the reimbursement rates have been increased significantly due to the assessment imposed on nursing care facilities through 2004’s S.B. 128.

The next step after RUGS is to use a fair rental market value model to compensate nursing care facilities for capital improvements. This was supported through intent language. Further language requires a report from the Department on this reimbursement methodology.

A final intent statement accompanied a \$1,000,000 General Fund appropriation designating it to augment reimbursement rates paid to hospitals in the Medicaid program.

In summary, the Analyst recommends the continuation of the following intent statement in FY 2006:

*It is the intent of the Legislature to improve the oral health status, and thereby improve the overall health of low-income Utahns through increased utilization and access to dental services for Medicaid recipients, especially people with disabilities and children. It is intended that this be accomplished as funding permits, by (1) increasing the participation of dentists in the Medicaid program by increasing the Medicaid reimbursement for dental services, (2) implementing a case management system to encourage more appropriate and timely access of Medicaid dental benefits by Medicaid recipients, and (3) implementing an early intervention/prevention and education*

*program aimed at increasing the awareness of the importance of oral health among this population.*

### **LEGISLATIVE ACTION**

1. The Analyst recommends that the Health and Human Services Appropriations Subcommittee approve a base budget for FY 2006 for the Medicaid line item in the amount of \$1,447,929,500.
2. The Analyst recommends the adoption of the intent statement listed above for FY 2006.

### **BUDGET DETAIL TABLE**

<b>Health - Medical Assistance</b>						
<b>Sources of Finance</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Appropriated</b>	<b>Changes</b>	<b>FY 2005 Revised</b>	<b>Changes</b>	<b>FY 2006 Analyst*</b>
General Fund	229,967,400	251,458,000	0	251,458,000	0	251,458,000
General Fund, One-time	(37,347,300)	1,008,000	0	1,008,000	(1,008,000)	0
Federal Funds	915,450,204	1,005,874,500	(10,993,800)	994,880,700	4,270,800	999,151,500
Dedicated Credits Revenue	68,921,848	74,742,500	5,011,900	79,754,400	6,913,600	86,668,000
GFR - Nursing Care Facilities Account	5,347,300	9,800,000	0	9,800,000	0	9,800,000
Transfers	92,503,627	100,878,800	(2,683,200)	98,195,600	2,656,400	100,852,000
Beginning Nonlapsing	476,404	476,400	144,501	620,901	(1)	620,900
Closing Nonlapsing	(620,901)	0	(620,901)	(620,901)	1	(620,900)
Lapsing Balance	(270,088)	0	0	0	0	0
<b>Total</b>	<b>\$1,274,428,494</b>	<b>\$1,444,238,200</b>	<b>(\$9,141,500)</b>	<b>\$1,435,096,700</b>	<b>\$12,832,800</b>	<b>\$1,447,929,500</b>
<b>Programs</b>						
Medicaid Base Program	1,095,156,768	1,250,056,000	(9,214,300)	1,240,841,700	3,340,100	1,244,181,800
Title XIX for Human Services	175,139,165	190,014,100	0	190,014,100	9,500,700	199,514,800
DOH Medical/Dental Clinics	4,132,561	4,168,100	72,800	4,240,900	(8,000)	4,232,900
<b>Total</b>	<b>\$1,274,428,494</b>	<b>\$1,444,238,200</b>	<b>(\$9,141,500)</b>	<b>\$1,435,096,700</b>	<b>\$12,832,800</b>	<b>\$1,447,929,500</b>
<b>Categories of Expenditure</b>						
Personal Services	3,463,246	3,319,200	167,281	3,486,481	(36,081)	3,450,400
In-State Travel	32,753	40,300	(7,500)	32,800	0	32,800
Out of State Travel	1,099	2,600	(1,500)	1,100	0	1,100
Current Expense	713,448	545,800	198,119	743,919	3,081	747,000
DP Current Expense	41,980	15,700	6,100	21,800	0	21,800
DP Capital Outlay	49,050	0	0	0	0	0
Other Charges/Pass Thru	1,270,126,918	1,440,132,200	(9,321,600)	1,430,810,600	12,865,800	1,443,676,400
<b>Total</b>	<b>\$1,274,428,494</b>	<b>\$1,444,055,800</b>	<b>(\$8,959,100)</b>	<b>\$1,435,096,700</b>	<b>\$12,832,800</b>	<b>\$1,447,929,500</b>
<b>Other Data</b>						
Total FTE	62.0	62.5	2.3	64.8	0.5	65.3

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

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## Issue Brief – Change in FMAP

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NUMBER HHS-05-05

### **SUMMARY**

Medicaid is funded mainly by state funds which are then used to match with federal funds. The Federal Medical Assistance Percentage (FMAP) is the federal share of program costs for Medicaid. Because this percentage is recalculated each year, the rate usually fluctuates from year to year. When the rate increases, the federal funds provide more of the total costs; when the rate decreases, federal funds will provide less of the total program costs. For FY 2006, the FMAP is projected to decrease from 72.04 percent to 71.11 percent, a drop of 0.93 percent. This means that in FY 2005, federal funds paid for 72.04 percent of the total Medicaid costs, but for FY 2006, the federal funds will pay for 71.11 percent of the total costs of the Medicaid program. The reduction in the FMAP impacts three budget areas in two different appropriation subcommittees: Medicaid in the Department of Health and various programs in the Department of Human Services, both within the Health and Human Services Appropriations Subcommittee; and the Division of Juvenile Justice Services in the Department of Human Services which is part of the Executive Offices and Criminal Justice Appropriations Subcommittee.

The State has two choices to handle this problem: (a) fund the difference from state funds to keep the programs whole, or (b) cut the programs by reducing services provided or populations served, or some combination of the two.

Because of the size of the Medicaid budget, even a small percentage decrease such as this translates to a significant dollar amount. The projected loss of federal funds for the Medicaid program is \$9,346,400. If the state elects to maintain the Medicaid program at its current levels, an additional \$9.3 million would be required, but would not increase any level of service or number of individuals served.

### **BACKGROUND**

The FMAP is based on the state's per-capita personal income during three calendar years. The FY 2006 FMAP uses per-capita income data from 2001 through 2003. Because of its relatively low per-capita income, the state of Utah enjoys one of the higher FMAPs in the country at 70.76 (Federal FY 2006). In fact, Utah has the fifth highest FMAP, behind Mississippi (76.00), Arkansas (73.77), West Virginia (72.99), and New Mexico (71.15). The projected FY 2006 decrease in the FMAP follows three years in which the base rate increased. (In FY 2003 and FY 2004, the federal government temporarily increased the rates as part of its "federal fiscal relief" to the states.)

The Children's Health Insurance Program (CHIP) match rate is based on the FMAP, but at an enhanced level. For FY 2006, the projected CHIP rate is 79.77 percent.

A table showing the FMAPs for all of the states from 2001 to 2006 (federal fiscal year) is shown on the following page. The information comes from the Federal Funds Information for States (FFIS), Issue Brief 04-41.

### **LEGISLATIVE ACTION**

The Analyst recommends that the Health and Human Services Appropriations Subcommittee fund the replacement of the lost federal funds for Medicaid with state General Funds so that the Medicaid program can remain at its current level. The recommended amount is \$9,346,400.

## Federal Medical Assistance Percentages, 2001-2006

(federal fiscal years; federal share as percent)

State	2001	2003 2/		2004 2/		2005	Projected 2006	Percentage Point Change			Addendum: 2006 FMAP Without Floors
		Base	Fiscal Relief	Base	Fiscal Relief			2004-2005	2005-2006	2001-2006	
Alabama	69.99	70.60	73.55	70.75	73.70	70.83	69.51	0.08	-1.32	-0.48	69.51
Alaska 1/	60.13	58.27	61.22	58.39	61.34	57.58	50.16	-0.81	-7.42	-9.97	50.16
Arizona	65.77	67.25	70.20	67.26	70.21	67.45	66.98	0.19	-0.47	1.21	66.98
Arkansas	73.02	74.28	77.23	74.67	77.62	74.75	73.77	0.08	-0.98	0.75	73.77
California	51.25	50.00	54.35	50.00	52.95	50.00	50.00	0.00	0.00	-1.25	48.72
Colorado	50.00	50.00	52.95	50.00	52.95	50.00	50.00	0.00	0.00	0.00	44.48
Connecticut	50.00	50.00	52.95	50.00	52.95	50.00	50.00	0.00	0.00	0.00	13.16
Delaware	50.00	50.00	52.95	50.00	52.95	50.38	50.09	0.38	-0.29	0.09	50.09
District of Columbia 1/	70.00	70.00	72.95	70.00	72.95	70.00	70.00	0.00	0.00	0.00	0.65
Florida	56.62	58.83	61.78	58.93	61.88	58.90	58.89	-0.03	-0.01	2.27	58.89
Georgia	59.67	59.60	62.55	59.58	62.55	60.44	60.60	0.86	0.16	0.93	60.60
Hawaii	53.85	58.77	61.72	58.90	61.85	58.47	58.81	-0.43	0.34	4.96	58.81
Idaho	70.76	70.96	73.97	70.46	73.91	70.62	69.91	0.16	-0.71	-0.85	69.91
Illinois	50.00	50.00	52.95	50.00	52.95	50.00	50.00	0.00	0.00	0.00	49.29
Indiana	62.04	61.97	64.99	62.32	65.27	62.78	62.98	0.46	0.20	0.94	62.98
Iowa	62.67	63.50	66.45	63.93	66.88	63.55	63.61	-0.38	0.06	0.94	63.61
Kansas	59.85	60.15	63.15	60.82	63.77	61.01	60.41	0.19	-0.60	0.56	60.41
Kentucky	70.39	69.89	72.89	70.09	73.04	69.60	69.26	-0.49	-0.34	-1.13	69.26
Louisiana	70.53	71.28	74.23	71.63	74.58	71.04	69.79	-0.59	-1.25	-0.74	69.79
Maine	66.12	66.22	69.53	66.01	69.17	64.89	62.90	-1.12	-1.99	-3.22	62.90
Maryland	50.00	50.00	52.95	50.00	52.95	50.00	50.00	0.00	0.00	0.00	37.53
Massachusetts	50.00	50.00	52.95	50.00	52.95	50.00	50.00	0.00	0.00	0.00	28.20
Michigan	56.18	55.42	59.31	55.89	58.84	56.71	56.59	0.82	-0.12	0.41	56.59
Minnesota	51.11	50.00	52.95	50.00	52.95	50.00	50.00	0.00	0.00	-1.11	47.93
Mississippi	76.82	76.62	79.57	77.08	80.03	77.08	76.00	0.00	-1.08	-0.82	76.00
Missouri	61.03	61.23	64.18	61.47	64.42	61.15	61.93	-0.32	0.78	0.90	61.93
Montana	73.04	72.96	75.91	72.85	75.91	71.90	70.54	-0.95	-1.36	-2.50	70.54
Nebraska	60.38	59.52	62.50	59.89	62.84	59.64	59.68	-0.25	0.04	-0.70	59.68
Nevada	50.36	52.39	55.34	54.93	57.88	55.90	54.76	0.97	-1.14	4.40	54.76
New Hampshire	50.00	50.00	52.95	50.00	52.95	50.00	50.00	0.00	0.00	0.00	44.89
New Jersey	50.00	50.00	52.95	50.00	52.95	50.00	50.00	0.00	0.00	0.00	26.65
New Mexico	73.80	74.56	77.51	74.85	77.80	74.30	71.15	-0.55	-3.15	-2.65	71.15
New York	50.00	50.00	52.95	50.00	52.95	50.00	50.00	0.00	0.00	0.00	39.74
North Carolina	62.47	62.56	65.51	62.85	65.80	63.63	63.49	0.78	-0.14	1.02	63.49
North Dakota	69.99	68.36	72.82	68.31	71.31	67.49	65.85	-0.82	-1.64	-4.14	65.85
Ohio	59.03	58.83	61.78	59.23	62.18	59.68	59.88	0.45	0.20	0.85	59.88
Oklahoma	71.24	70.56	73.51	70.24	73.51	70.18	67.91	-0.06	-2.27	-3.33	67.91
Oregon	60.00	60.16	63.11	60.81	63.76	61.12	61.57	0.31	0.45	1.57	61.57
Pennsylvania	53.62	54.69	57.64	54.76	57.71	53.84	55.05	-0.92	1.21	1.43	55.05
Rhode Island	53.79	55.40	58.35	56.03	58.98	55.38	54.45	-0.65	-0.93	0.66	54.45
South Carolina	70.44	69.81	72.76	69.86	72.81	69.89	69.32	0.03	-0.57	-1.12	69.32
South Dakota	68.31	65.29	68.88	65.67	68.62	66.03	65.07	0.36	-0.96	-3.24	65.07
Tennessee	63.79	64.59	67.54	64.40	67.54	64.81	63.99	0.41	-0.82	0.20	63.99
Texas	60.57	59.99	63.12	60.22	63.17	60.87	60.66	0.65	-0.21	0.09	60.66
Utah	71.44	71.24	74.19	71.72	74.67	72.14	70.76	0.42	-1.38	-0.68	70.76
Vermont	62.40	62.41	66.01	61.34	65.36	60.11	58.49	-1.23	-1.62	-3.91	58.49
Virginia	51.85	50.53	54.40	50.00	53.48	50.00	50.00	0.00	0.00	-1.85	48.83
Washington	50.70	50.00	53.32	50.00	52.95	50.00	50.00	0.00	0.00	-0.70	49.44
West Virginia	75.34	75.04	78.22	75.19	78.14	74.65	72.99	-0.54	-1.66	-2.35	72.99
Wisconsin	59.29	58.43	61.52	58.41	61.38	58.32	57.65	-0.09	-0.67	-1.64	57.65
Wyoming	64.60	61.32	64.92	59.77	64.27	57.90	54.23	-1.87	-3.67	-10.37	54.23

1/ The FMAPs for the District of Columbia and Alaska were statutorily set in the BBA of 1997; Alaska's was reset for FYs 2001-2005 by the omnibus budget bill of 2000.

2/ P.L. 108-27 increased FMAPs for all states for the last two quarters of FY 2003 (April-September) and the first three quarters of FY 2004 (October-June).

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## Issue Brief – Medicaid Utilization/Caseload Growth

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NUMBER HHS-05-06

### SUMMARY

Medicaid is an entitlement program in that if someone meets the eligibility criteria, he/she is entitled to the entire array of Medicaid services. As the general population grows, so does the number of individuals who are eligible for Medicaid services. This is exacerbated during times when the economy takes a downturn. These factors result in more individuals being deemed eligible for the Medicaid program. While non-entitlement programs may deny services or create “waiting lists”, Medicaid is not permitted to do so, and must provide the services to any eligible recipient.

### DISCUSSION

Appropriating new state funds has traditionally been the Legislature’s response to the Medicaid utilization and caseload issue. It is usually considered a mandated cost because of the nature of it being an entitlement program. However, the Legislature has three options in how to deal with this issue:

1. Provide state resources (to be matched with federal funds) to accommodate the additional individuals who qualify for Medicaid.
2. Reduce optional services from the Medicaid program to save the current funds needed to accommodate the expected new individuals.
3. Reduce or eliminate eligibility for some optional populations through the eligibility criteria to save the funds already appropriated that are necessary to cover the new individuals.

During the past few years, with the downturn in the economy, the Medicaid program saw significant growth and the Legislature “funded” that growth through appropriating additional funds, as well as cutting services and utilizing other cost-saving measures.

The graph on the following page illustrates the growth in the Medicaid program for the past several years. The trend shown in the graph shows the significant increase in the number of individuals being served by the Medicaid program.

### LEGISLATIVE ACTION

The Analyst recommends funding in the amount of \$77,320,400, (\$15,107,000 from the General Fund, \$46,290,900 from federal funds, \$6,235,300 from dedicated credits, and \$971,300 from revenue transfers) to the Health and Human Services Appropriations Subcommittee to fund the anticipated growth in Medicaid caseload and utilization, so that the Medicaid program can remain at its current level. The projected rate of growth is 5.4 percent.





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## Issue Brief – Medicaid Inflation

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NUMBER HHS-05-07

### **SUMMARY**

Federal regulations require that Medicaid services that are offered be accessible by recipients. In order to ensure that services are available and accessible, the reimbursement rates paid to Medicaid providers must be sufficiently high to make them partners in the program and to enable them to cover their increased costs. Over the past few years, because of the budget constraints, reimbursement rates, for most categories of providers have not been increased, while some others have increased through additional state appropriations. In some case, adjustments have been made which have decreased some provider reimbursement rates.

### **DISCUSSION**

There are two areas of service categories included when considering inflation. The first is specific service categories which are required to be funded for inflation, including Federally Qualified Health Centers, Rural Health Services, Crossovers, and Medicare Buy-in. The second area is those service categories which require additional funding in order to provide access to services, such as hospital services, physician services, and pharmacy.

Last year, the Legislature passed Senate Bill 128, “Long-Term Care Facilities Amendments” which imposed an assessment on nursing facility beds, which could be used as state matchable funds to draw down additional federal funds. This assessment provides the nursing facilities with an additional \$35 million to address some of the inflation issues in that industry.

### **LEGISLATIVE ACTION**

The Analyst recommends that the Health and Human Services Appropriations Subcommittee approve funding in the amount of \$47,050,800 to fund the expected inflationary increases, so that the Medicaid program can remain at its current level. The Analyst has reviewed the data and has determined an inflation factor of 4.7 percent for FY 2006. Of the total cost of \$47,050,800, \$12,577,000 would be from the General Fund, \$30,071,900 would come from federal funds, and \$4,401,900 would be from dedicated credits.

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## Issue Brief – Medicaid/Medicare Part D (Clawback)

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NUMBER HHS-05-08

### **SUMMARY**

Congress recently passed the Medicare Prescription Drug, Improvement and Modernization Act of 2003, which provides Medicare coverage for prescription drugs. This new benefit will allow all individuals who are on Social Security to receive a prescription drug benefit. This will impact the state because there are an estimated 20,000 individuals who are covered by both Medicare and Medicaid, usually referred to as “dual eligibles”. Prior to the new Medicare prescription drug benefit, these individuals have had their prescriptions covered by Medicaid. Beginning in January 2006, they must obtain their prescriptions under the Medicare plan.

The federal government has established a method to recoup the Medicaid funds state will save from not having Medicaid cover the prescription drugs. This is called the Phased-Down State Contribution, but is commonly referred to as the “clawback” provision. States will be required to provide a monthly payment to the federal government to cover a portion of prescription drug costs for dual eligibles who enroll in Medicare Part D.

### **LEGISLATIVE ACTION**

Because the clawback will reduce the Medicaid program, the Analyst recommends that the Health and Human Services Appropriations Subcommittee approve the reduction of \$11,968,000 from the Medicaid program, which will be \$8,999,200 from federal funds and \$2,968,800 from dedicated credits (pharmacy rebates). This is the estimated amount for FY 2006, but the provisions will only be in effect for the second half of the state fiscal year. The FY 2007 amount will approximately double the FY 2006 impact because it will be in effect for the full 12 months.

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## Issue Brief – Medicaid Inflation (Medicare Buy-in)

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NUMBER HHS-05-11

### **SUMMARY**

Medicaid pays the Part B Medicare premiums for individuals who are eligible for both Medicare and Medicaid. Traditionally, the federal government increases the premium rates slightly and the state build that increase into its “mandatory inflation increases”. An increase consistent with previous years was funded during the 2004 General Session for FY 2005. When the final rate increase was received from the federal government, it was much greater than had been expected and funded. The cost went from \$66.60 per month to \$78.20 per month for the approximately 17,000 Medicaid enrollees. If this rate had been known or even projected prior to the 2004 General Session, it would have been included in the funding then.

### **LEGISLATIVE ACTION**

As a FY 2005 Supplemental, the Analyst recommends that the Health and Human Services Appropriations Subcommittee approve the one-time funding of \$500,000 to cover the increased premium costs of the Part B premiums. This funding will draw-down federal funds in the amount of \$1,288,300.