

Budget Brief – Medical Assistance

DEPARTMENT OF HEALTH

NUMBER DOH BB 07 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. The Administrative support that determines eligibility and processes the applications and payments for this program is primarily in the Health Care Financing line item.

ISSUES AND RECOMMENDATIONS

The Analyst recommends an ongoing FY 2007 base budget for Medical Assistance in the amount of \$1,571,069,900. The appropriation recommendation removes the one-time funding of \$4,459,000 allocated for dental and vision benefits. This budget level listed in Senate Bill 1 funds:

Medicaid Base Program	\$1,361,246,100
Title XIX for Human Services	\$ 205,341,700
DOH Health Clinics	\$ 4,482,100

The funding level supports 65.0 FTE positions.

Key Issues

The key issues for this program of the Department of Health budget are:

FMAP* Rate Change	DOH IB 07-22
Medicaid Caseload / Utilization	DOH IB 07-20
Medicaid Inflation	DOH IB 07-21
Medicare Part D Enrollment	DOH IB 07-23

Issue briefs have been prepared to give greater detail.

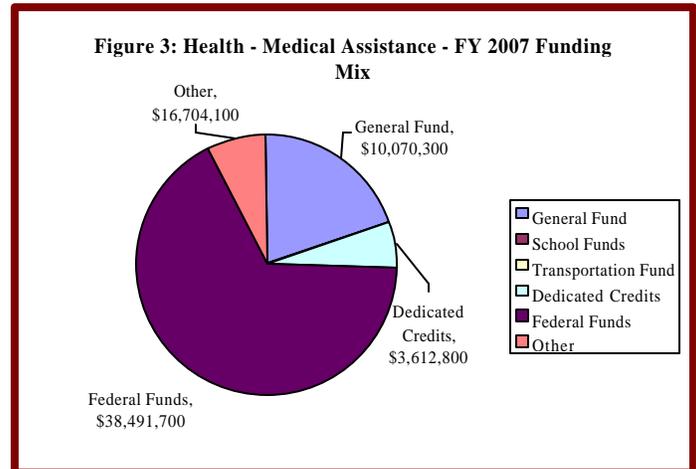
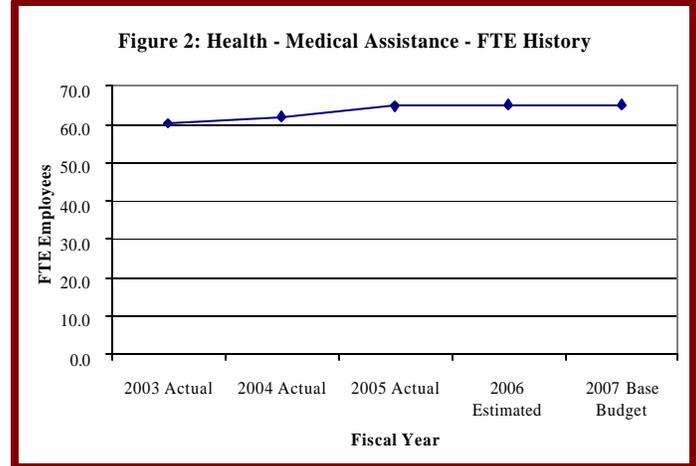
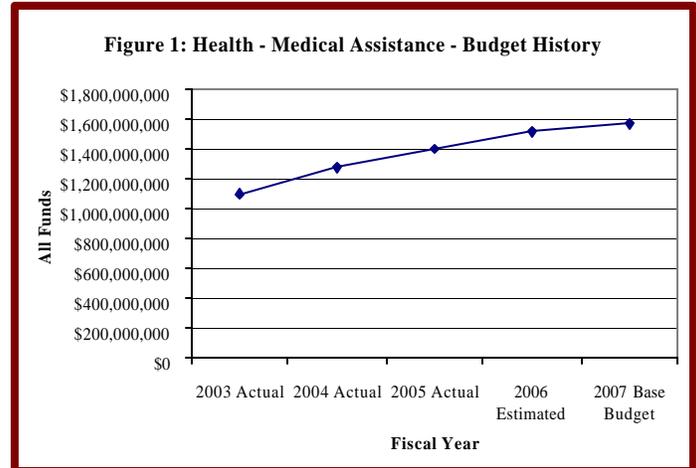
Executive Appropriations Action

The Executive Appropriations Committee recommended a General Fund increase be included in SB 1 to cover three items historically funded in the Department of Health. These items are:

FMAP* rate change	\$ 8,601,400 GF
Medicaid Caseload / Utilization	\$10,000,000 GF
Medicaid Inflation	\$10,252,700 GF

The Medicaid Caseload / Utilization and the Medicaid Inflation carry a federal match of close to 3:1. The FMAP* rate change replaces Federal Funds with State General Fund.

* - Federal Medical Assistance Percentage (FMAP)

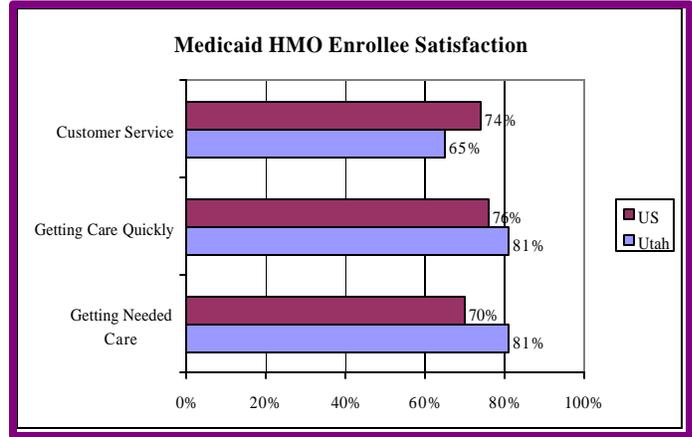


ACCOUNTABILITY DETAIL

The Medicaid population is growing at a rate of approximately 5 percent per year. Enrollment, utilization, inflation, the State economy and new program requirements all have an impact on the amount of money that the State will need to be spent.

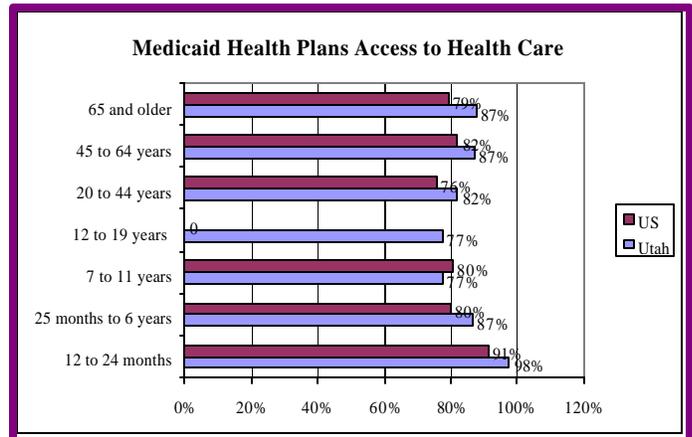
Enrollee Satisfaction

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 satisfaction rates of Medicaid enrollees compared to national averages.



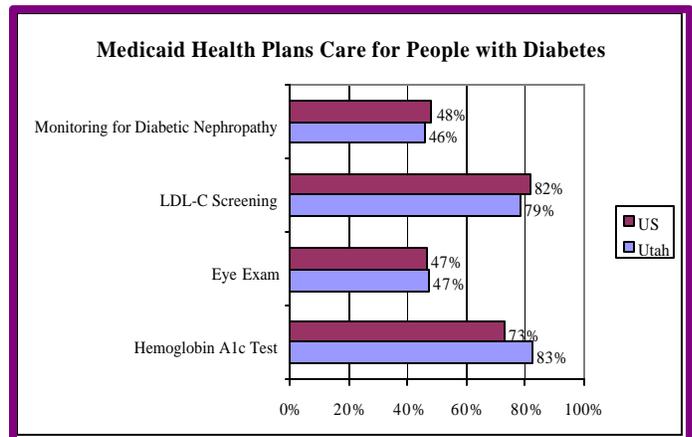
Access to Health Care

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 the national average. This disease is becoming more widespread throughout the population and leads to a host of other ailments that require treatment and sometimes surgery, which consequently increases costs to state and federal governments.



BUDGET DETAIL***Budget Recommendation***

The Analyst recommends an ongoing base budget funding in the amount of \$1,571,069,900 for the Medical Assistance line item. Of this amount \$311,630,600 is from the General Fund, \$1,052,304,900 is from Federal Funds, \$89,701,400 is from Dedicated Credits, \$11,254,300 is from the General Fund Restricted – Nursing Care Facilities Account, and \$106,178,700 from Transfers. The recommendation covers the budgets for the Medicaid Base Program, Title XIX for Human Services, and the Department of Health (DOH) Health Clinics.

Intent Language

No intent language has been requested and none is recommended for this line item.

LEGISLATIVE ACTION

The Executive Appropriations Committee requests that the Subcommittee adopt base budgets for each agency under the Subcommittee's purview, fund Subcommittee priorities, first by reallocating revenue among programs, and provide a prioritized list of desired items for funding. Adoption of this base budget as listed in this document enables the programs to continue for the next fiscal year at relatively the same level as the current fiscal year.

1. The Analyst recommends that the Health and Human Services Appropriations Subcommittee approve an ongoing base budget for FY 2007 for the Medical Assistance line item in the amount of \$1,571,069,900 with funding as listed in the Budget Detail Table.
2. The Legislature should consider the following adjustments and additions to the base budget listed in the table below.

Medical Assistance		
FY 2007 Ongoing General Fund Budgetary Requests		
<u>Description</u>	<u>Issue Brief #</u>	<u>General Fund</u>
MA Base Budget Adjustments	DOH IB 07 18	TBD
Medicaid Program and Funding Alternatives	DOH IB 07 19	TBD
Medicaid Utilization / Caseload Growth	DOH IB 07 20	\$26,365,000
Medicaid Inflation	DOH IB 07 21	\$16,015,400
FMAP	DOH IB 07 22	\$8,601,400
Medicare Part D - Enrollment	DOH IB 07 23	\$6,498,500
Restoration of Adult Dental	DOH IB 07 24	\$3,877,900
Restoration of Adult Vision	DOH IB 07 25	\$780,900
Dental Provider Rates	DOH IB 07 26	\$909,300
Physician Provider Rates	DOH IB 07 27	\$3,675,100
Other Provider Rates	DOH IB 07 28	\$783,400

BUDGET DETAIL TABLE**Health - Medical Assistance**

Sources of Finance	FY 2005	FY 2006	Changes	FY 2006	Changes	FY 2007*
	Actual	Appropriated		Revised		Base Budget
General Fund	252,966,000	282,776,500	0	282,776,500	28,854,100	311,630,600
General Fund, One-time	0	4,459,000	0	4,459,000	(4,459,000)	0
Federal Funds	964,057,200	1,063,626,400	(27,687,100)	1,035,939,300	16,365,600	1,052,304,900
Dedicated Credits Revenue	82,441,600	94,593,800	(12,095,400)	82,498,400	7,203,000	89,701,400
GFR - Nursing Care Facilities Account	9,800,000	11,254,300	0	11,254,300	0	11,254,300
Transfers	0	58,587,800	(58,587,800)	0	0	0
Transfers - Human Services	85,993,300	42,935,000	54,575,700	97,510,700	6,126,600	103,637,300
Transfers - Other Agencies	380,300	0	361,400	361,400	(320,200)	41,200
Transfers - Within Agency	2,649,500	0	2,499,200	2,499,200	1,000	2,500,200
Beginning Nonlapsing	620,900	620,900	0	620,900	0	620,900
Closing Nonlapsing	(620,900)	(620,900)	620,900	0	(620,900)	(620,900)
Lapsing Balance	(1,080,700)	0	0	0	0	0
Total	\$1,397,207,200	\$1,558,232,800	(\$40,313,100)	\$1,517,919,700	\$53,150,200	\$1,571,069,900
Programs						
Medicaid Base Program	1,208,595,000	1,354,322,700	(40,376,300)	1,313,946,400	47,299,700	1,361,246,100
Title XIX for Human Services	184,383,300	199,514,800	0	199,514,800	5,826,900	205,341,700
DOH Health Clinics	4,228,900	4,395,300	63,200	4,458,500	23,600	4,482,100
Total	\$1,397,207,200	\$1,558,232,800	(\$40,313,100)	\$1,517,919,700	\$53,150,200	\$1,571,069,900
Categories of Expenditure						
Personal Services	3,659,300	3,627,100	155,100	3,782,200	2,200	3,784,400
In-State Travel	21,400	32,800	(11,500)	21,300	0	21,300
Out of State Travel	5,100	1,100	4,000	5,100	0	5,100
Current Expense	1,017,100	751,300	264,800	1,016,100	20,000	1,036,100
DP Current Expense	23,800	21,800	2,200	24,000	300	24,300
Other Charges/Pass Thru	1,392,480,500	1,553,798,700	(40,727,700)	1,513,071,000	53,127,700	1,566,198,700
Total	\$1,397,207,200	\$1,558,232,800	(\$40,313,100)	\$1,517,919,700	\$53,150,200	\$1,571,069,900
Other Data						
Budgeted FTE	64.8	65.3	(0.3)	65.0	0.0	65.0

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