

Budget Brief – Utah Department of Health

DEPARTMENT SUMMARY

DOH-09-01

SUMMARY

The Mission of the Utah Department of Health (DOH) is to protect the public’s health by preventing avoidable disease, injury, disability, and premature death; assuring access to affordable, quality health care; promoting healthy lifestyles; documenting health events; and monitoring and analyzing health trends. For more summary information please see the Compendium of Budget Information for the 2008 General Session (Utah Department of Health), Chapter 1, pages 1 to 4.

DOH includes the following entities and funding line items:

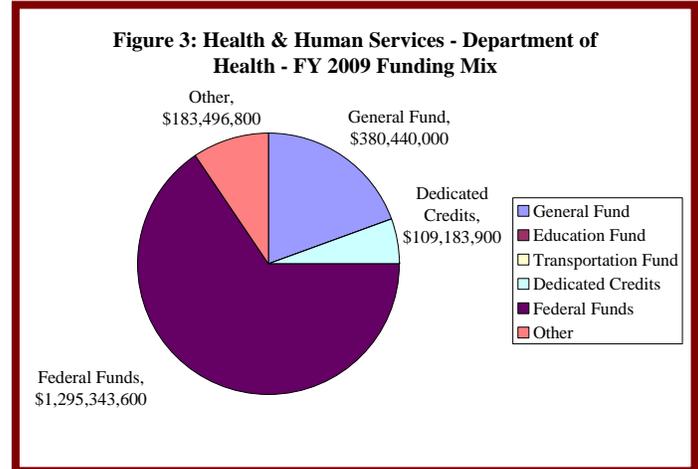
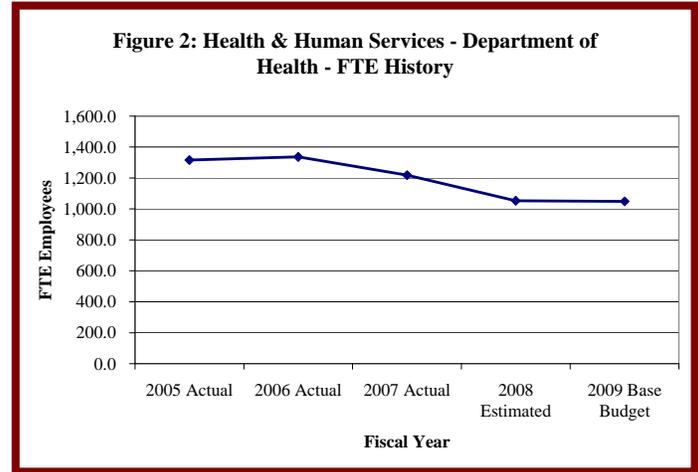
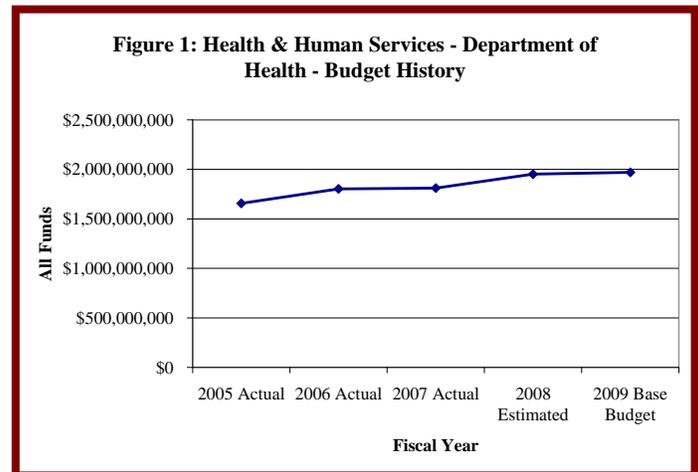
1. Executive Director's Operations
2. Health Systems Improvement
3. Workforce Financial Assistance Program
4. Epidemiology and Laboratory Services
5. Community and Family Health Services
6. Health Care Financing
7. Medical Assistance
8. Children's Health Insurance Program
9. Local Health Departments

ISSUES AND RECOMMENDATIONS

The Analyst recommends an ongoing FY 2009 base budget for the Utah Department of Health of \$1,967,909,300. The one-time General Fund FY 2008 appropriation of \$5,114,700 has been removed. The largest portion of the one-time funding was the \$2,000,000 General Fund for adult dental benefits to traditional Medicaid clients. A net increase of \$13,064,400 ongoing General Fund was approved by the Executive Appropriations Committee for inclusion into the base budget bill. This funding was for:

| | |
|---------------------------------------|--------------|
| Federal Medical Assistance Percentage | \$ 3,410,000 |
| Medicaid Caseload/Utilization | \$ 1,045,200 |
| Medicaid Inflation | \$ 8,609,200 |

Additionally \$18 million in matching Federal Funds and Dedicated Credits have been included in the base budget. Of this budget, 91.2 percent (\$1,794,980,100) of these funds are “passed-through” to individuals or other organizations. The remaining 8.8 percent (\$172,929,200) is the Department’s program and operating budget.



Significant Factors

The key factors impacting the Health Department budget are:

1. Program caseload and utilization (Program usage and state demographics.)
2. Inflation (Both medical and Medicaid inflation rates often surpass the general national inflation rate.)
3. Program changes (Federal changes often result in additional expenses for the State.)
4. Implementation and upgrading of technology (One example is lab equipment used for testing water and blood.)

These factors have a continuing impact on the Department's budget. National inflation for FY 2009 is estimated at 1.8%. Medical inflation has traditionally been much higher than the average inflation rate. Federal changes have been implemented in a number of programs with more anticipated. Changes range from new testing requirements by the Environmental Protection Agency to a decrease in federal match rate participation in the Medicaid program.

Another issue is facility capacity and obsolete equipment. Detailed information on each line item is included 10 Budget Briefs as detailed in the table to the right.

Medicaid Interim Committee

The 2007 Legislature extended the 2006 Medicaid Interim Committee to evaluate all health and human service programs along with the Medicaid program.

Senate Bill 1 in the General Session 2007 included intent language that authorized up to 6 meetings of the Medicaid Interim Committee to continue work started in the 2006 interim period. The Committee met 6 times during 2007. The Committee is jointly staffed by the Office of Legislative Research and General Counsel and the Office of the Legislative Fiscal Analyst. The final meeting of this Committee was held on December 12, 2007. Recommendations are outlined in the 2007 Legislative Interim Report produced by the Office of Legislative Research and General Counsel.

ACCOUNTABILITY

Performance measures have been detailed in the Compendium Of Budgetary Information (COBI). Highlights are also included in the respective line item Budget Brief and Issue Brief documents where appropriate. All of the Divisions and Bureaus have a variety of programs and related performance measures.

The Department's major goals and objectives for FY 2009 as reported by the Department are:

1. Prevent Disease and Disability
2. Protect the Public's Health
3. Promote Healthy Lifestyles
4. Provide Access to Healthcare
5. Customer/Client Satisfaction

FY 2009 BASE BUDGET

The budget detailed in the table on the next page is a starting point. Adjustments to the base and funding additions to the Department are discussed in subsequent Budget and Issue Briefs. The Department has from time-to-time shifted resources between programs within line items. This is authorized by the Budgetary Procedures Act. Shifting funds between line items or between departments must be done by legislative action.

| Department of Health Budget Briefs | |
|--|------------------|
| Title | Reference Number |
| Department of Health | DOH-09-01 |
| Executive Director's Operations | DOH-09-02 |
| Health Systems Improvement | DOH-09-03 |
| Workforce Financial Assistance Program | DOH-09-04 |
| Epidemiology and Laboratory Services | DOH-09-05 |
| Community and Family Health Services | DOH-09-06 |
| Health Care Financing | DOH-09-07 |
| Medical Assistance | DOH-09-08 |
| Children's Health Insurance Program | DOH-09-09 |
| Local Health Departments | DOH-09-10 |

BUDGET DETAIL

| Health & Human Services - Department of Health | | | | | | |
|--|------------------------|-------------------------|---------------------|------------------------|---------------------|-------------------------|
| Sources of Finance | FY 2007 Actual | FY 2008 Appropriated | Changes | FY 2008 Revised | Changes | FY 2009* Base Budget |
| General Fund | 337,937,700 | 367,375,600 | 0 | 367,375,600 | 13,064,400 | 380,440,000 |
| General Fund, One-time | 20,013,600 | 4,837,200 | 0 | 4,837,200 | (4,837,200) | 0 |
| Federal Funds | 1,176,874,800 | 1,275,448,000 | 3,951,000 | 1,279,399,000 | 15,944,600 | 1,295,343,600 |
| Dedicated Credits Revenue | 107,698,900 | 108,030,100 | 639,900 | 108,670,000 | 513,900 | 109,183,900 |
| GFR - Cat & Dog Spay & Neuter | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 |
| GFR - Cigarette Tax Rest | 3,131,700 | 3,131,700 | 0 | 3,131,700 | 0 | 3,131,700 |
| GFR - Kurt Oscarson Trans | 100,000 | 100,000 | 0 | 100,000 | 0 | 100,000 |
| GFR - Medicaid Restricted | 1,995,900 | 4,065,000 | 0 | 4,065,000 | (4,065,000) | 0 |
| GFR - Nursing Facility | 11,698,600 | 0 | 15,716,200 | 15,716,200 | (15,716,200) | 0 |
| GFR - Nursing Care Facilities Account | 0 | 15,716,200 | (15,716,200) | 0 | 15,716,200 | 15,716,200 |
| GFR - State Lab Drug Testing Account | 293,500 | 407,100 | 0 | 407,100 | 0 | 407,100 |
| GFR - Tobacco Settlement | 16,624,600 | 18,710,700 | 0 | 18,710,700 | (2,000,000) | 16,710,700 |
| Organ Donation Contribution Fund | 113,000 | 113,000 | 0 | 113,000 | 0 | 113,000 |
| Transfers - Environmental Quality | 11,000 | 28,500 | 3,000 | 31,500 | 0 | 31,500 |
| Transfers - H - Medical Assistance | 0 | 18,200 | (18,200) | 0 | 0 | 0 |
| Transfers - Health | 40,000 | 15,000 | (15,000) | 0 | 0 | 0 |
| Transfers - Human Services | 78,369,200 | 111,238,500 | (36,793,200) | 74,445,300 | (8,849,700) | 65,595,600 |
| Transfers - Intergovernmental | 34,272,000 | (132,400) | 34,620,100 | 34,487,700 | 0 | 34,487,700 |
| Transfers - Medicaid | 2,487,100 | 699,300 | 1,542,600 | 2,241,900 | 1,500 | 2,243,400 |
| Transfers - Other Agencies | 428,900 | 8,830,000 | (8,568,800) | 261,200 | 8,945,800 | 9,207,000 |
| Transfers - Public Safety | 269,500 | 232,000 | 104,300 | 336,300 | 8,700 | 345,000 |
| Transfers - State Office of Education | 0 | 9,400 | (9,400) | 0 | 0 | 0 |
| Transfers - Within Agency | 25,418,800 | 18,222,500 | 15,303,600 | 33,526,100 | (479,900) | 33,046,200 |
| Transfers - Workforce Services | 1,041,000 | 822,800 | 440,400 | 1,263,200 | 0 | 1,263,200 |
| Rural Health Care Facilities Fund | 0 | 277,500 | 0 | 277,500 | 0 | 277,500 |
| Beginning Nonlapsing | 9,242,000 | 3,085,000 | 1,603,600 | 4,688,600 | (1,189,500) | 3,499,100 |
| Closing Nonlapsing | (16,256,100) | (2,362,900) | (1,136,200) | (3,499,100) | 771,000 | (2,728,100) |
| Lapsing Balance | (657,100) | 0 | 0 | 0 | 0 | 0 |
| Total | \$1,811,148,600 | \$1,938,968,000 | \$11,667,700 | \$1,950,635,700 | \$17,828,600 | \$1,968,464,300 |
| Agencies | | | | | | |
| Health | 1,811,148,600 | 1,938,690,500 | 11,667,700 | 1,950,358,200 | 17,551,100 | 1,967,909,300 |
| Restricted Revenue - HHS | 0 | 277,500 | 0 | 277,500 | 277,500 | 555,000 |
| Total | \$1,811,148,600 | \$1,938,968,000 | \$11,667,700 | \$1,950,635,700 | \$17,828,600 | \$1,968,464,300 |
| Categories of Expenditure | | | | | | |
| Personal Services | 79,994,400 | 70,991,000 | 627,700 | 71,618,700 | (242,700) | 71,376,000 |
| In-State Travel | 754,300 | 767,500 | (29,200) | 738,300 | (12,100) | 726,200 |
| Out of State Travel | 665,100 | 609,600 | 84,800 | 694,400 | (31,900) | 662,500 |
| Current Expense | 73,027,700 | 68,727,200 | 12,349,200 | 81,076,400 | (4,037,600) | 77,038,800 |
| DP Current Expense | 13,845,100 | 14,847,400 | (1,435,100) | 13,412,300 | (182,500) | 13,229,800 |
| DP Capital Outlay | 485,900 | 135,100 | 54,400 | 189,500 | (158,500) | 31,000 |
| Capital Outlay | 399,300 | 134,300 | 169,800 | 304,100 | 9,560,800 | 9,864,900 |
| Other Charges/Pass Thru | 1,641,976,800 | 1,782,755,900 | (431,400) | 1,782,324,500 | 13,210,600 | 1,795,535,100 |
| Total | \$1,811,148,600 | \$1,938,968,000 | \$11,390,200 | \$1,950,358,200 | \$18,106,100 | \$1,968,464,300 |
| Other Data | | | | | | |
| Budgeted FTE | 1,218.1 | 1,016.2 | 37.1 | 1,053.3 | (4.8) | 1,048.5 |
| Vehicles | 65.0 | 63.0 | 2.0 | 65.0 | (2.0) | 63.0 |

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

LEGISLATIVE ACTION

The Executive Appropriations Committee requests that the Subcommittee adopt base budgets for each agency under the Subcommittee's purview, fund Subcommittee priorities, to the extent possible reallocating revenue among programs reviewed by the Subcommittee. Those items that cannot be funded within the current Subcommittee base budget should then be added to a prioritized list of desired items for funding. One combined list is to be submitted by the Subcommittee. Items of both Health and Human Services must be prioritized together. This prioritized list will be presented to the Executive Appropriations Committee.

1. The Analyst recommends the adoption of the proposed fees for this agency for FY 2009, see Issue Brief DOH-09-10 "Health Department Fees."
2. Consider Issue Brief DOH-09-01 "Federal Funds"
3. Consider Issue Brief DOH-09-02 "Follow-up on Prior Year Intent Language"
4. Consider Issue Brief DOH-09-03 "Required Reports"
5. Consider Issue Brief DOH-09-04 "Non-Lapsing Balances"
6. Consider Issue Brief DOH-09-12 "Technical Adjustments to the Base"