



Budget Brief: Health Care Financing

SUMMARY

The Division of Health Care Financing is the administrative agency for Utah's Medical Assistance Programs, which includes: Medicaid, Children's Health Insurance Program, Utah's Premium Partnership for Health Insurance, and the Primary Care Network. The Division administers State and federal funds as well as contracts with providers. It also gathers and analyzes data as well as pays for the provided services. For more detailed information please visit the online Compendium of Budget Information for the 2009 General Session at http://le.utah.gov/lfa/reports/cobi2009/LI_LGA.htm.

ISSUES AND RECOMMENDATIONS

The Analyst recommends a base budget for Health Care Financing line item for FY 2010 in the amount of \$116,509,000. This budget level funds nine programs. The recommendation reflects adjustments to the General Fund, Federal Funds, Restricted Funds, Transfers, Dedicated Credits and Other Revenue for FY 2010. The reduction in funding and FTE's in FY 2008 reflects the transfer of eligibility workers to the Department of Workforce Services as part of the Medicaid eligibility consolidation process.

This budget funds eight programs within the line item, including:

Director's Office	\$ 1,023,900
Financial Services	\$ 9,751,900
Contracted Health Plans	\$ 3,545,100
Medicaid Operations	\$ 3,932,700
Eligibility Policy	\$ 8,204,900
Coverage and Reimbursement	\$ 4,513,700
Contracts	\$81,010,800
Program Integrity	\$ 2,395,100
Long-Term Care	\$ 2,130,900

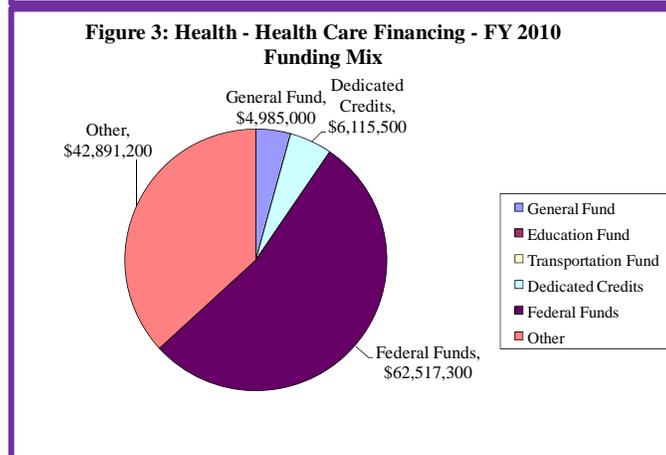
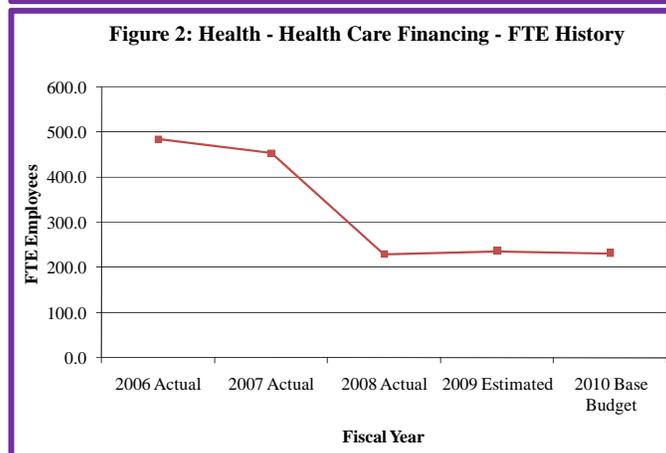
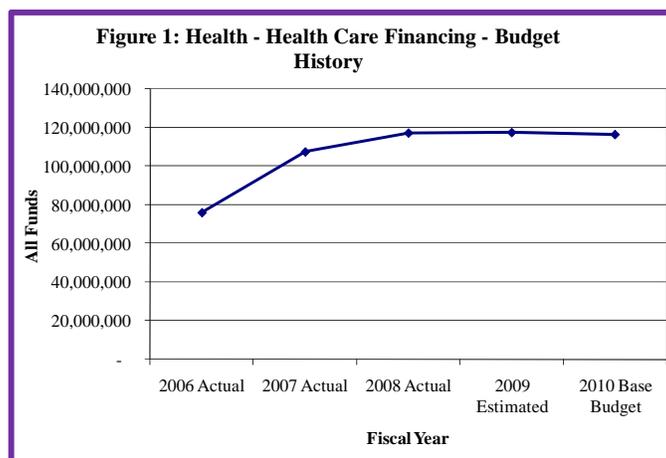
The funding level supports 232 FTE and 3 vehicles.

Accountability Detail

The following paragraphs discuss recent appropriations and how they were used by the agency:

FY 2009

- **H.B. 364 "Promotion of Health Care Coverage"** added \$120,000 (\$60,000 General Fund) to promote awareness of and facilitate



enrollment in Utah's Premium Partnership for Health Insurance Program. Additionally, the bill requires the Department of Health, the Department of Workforce Services, and the State Board of Education to collaborate with one another to develop a process to promote health insurance awareness and coverage of children in schools and report to the Legislature on their progress by November 19, 2008. The agency used the funds to buy radio and newspaper advertisements for Utah's Premium Partnership for Health Insurance Program.

FY 2008

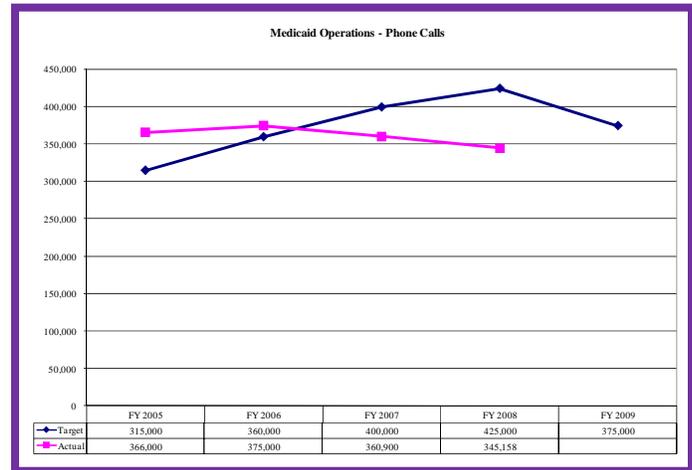
- The line item received \$750,000 one-time funding from the GFR – Medicaid Restricted Account for a study to replace the Medicaid Management Information System. The agency indicates that they have obtained federal approval of enhanced funding for planning activities and anticipate having a technical assistance vendor in place by March 2008 to begin full scale planning activities. The agency indicated that a vendor was hired and began work in March 2008. The work is currently moving along successfully and within projected timelines.

Intent Language

The Legislature approved similar intent statement for this line item for FY 2008. The agency again requested it for FY 2009:

The Legislature intends that up to \$450,000 of the monies for the funding of the Medicaid Management Information System study be nonlapsing.

The key performance measure submitted by the Department for this Division documents the number of phone calls, as detailed in the table to the right. This is reported as an activity measure which is an indicator of eligibility services, caseload and utilization.



BUDGET DETAIL

The budget listed in the table below details the budget allocations in the base budget bill. In H.B. 3, the Legislature reduced contracts for data by \$169,000 General Fund (\$338,000 total funds).

Technical Adjustment

The Department has indicated that there are some expenditures for the State’s Clinics that are currently in Health Care Financing although the bulk of funding for the Clinics are in Medicaid Mandatory Services. The agency recommends moving \$296,800 General Fund and \$337,900 federal funds from Health Care Financing to Medicaid Mandatory Services to better reflect the cost of services for the Department’s Health Clinics. This is a net \$0 transfer and the analyst recommends approving this transfer.

Health - Health Care Financing						
Sources of Finance	FY 2008	FY 2009		FY 2009		FY 2010*
	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	4,990,800	5,368,200	(383,200)	4,985,000	0	4,985,000
General Fund, One-time	270,500	(250,000)	165,400	(84,600)	84,600	0
Federal Funds	64,437,400	53,178,700	10,733,000	63,911,700	(1,394,400)	62,517,300
Dedicated Credits Revenue	6,050,200	2,207,900	3,907,600	6,115,500	0	6,115,500
GFR - Medicaid Restricted	1,000,000	0	0	0	0	0
GFR - Nursing Care Facilities Account	350,000	350,000	0	350,000	0	350,000
Transfers - Human Services	89,600	82,900	6,700	89,600	0	89,600
Transfers - Medicaid	1,940,100	2,243,400	(232,600)	2,010,800	0	2,010,800
Transfers - Other Agencies	7,664,700	8,421,700	(1,344,900)	7,076,800	0	7,076,800
Transfers - Within Agency	29,259,300	22,780,800	7,914,700	30,695,500	0	30,695,500
Transfers - Workforce Services	2,140,200	76,700	2,063,500	2,140,200	(100)	2,140,100
Beginning Nonlapsing	0	689,200	60,800	750,000	(221,600)	528,400
Closing Nonlapsing	(750,000)	0	(528,400)	(528,400)	528,400	0
Lapsing Balance	(147,400)	0	0	0	0	0
Total	\$117,295,400	\$95,149,500	\$22,362,600	\$117,512,100	(\$1,003,100)	\$116,509,000
Programs						
Contracted Health Plans	3,416,900	3,738,200	(232,500)	3,505,700	39,400	3,545,100
Contracts	81,170,900	62,277,400	18,733,400	81,010,800	0	81,010,800
Coverage and Reimbursement	5,992,600	5,539,600	(1,021,800)	4,517,800	(4,100)	4,513,700
Director's Office	2,964,700	5,982,100	(3,525,200)	2,456,900	(1,433,000)	1,023,900
Eligibility Policy	8,681,500	4,135,600	4,038,400	8,174,000	30,900	8,204,900
Financial Services	9,463,000	9,515,300	(44,000)	9,471,300	280,600	9,751,900
Long-Term Care	1,851,500	0	2,111,500	2,111,500	19,400	2,130,900
Medicaid Operations	3,753,500	3,961,300	(69,800)	3,891,500	41,200	3,932,700
Program Integrity	800	0	2,372,600	2,372,600	22,500	2,395,100
Utah Medical Assistance	0	0	0	0	0	0
Total	\$117,295,400	\$95,149,500	\$22,362,600	\$117,512,100	(\$1,003,100)	\$116,509,000
Categories of Expenditure						
Personal Services	16,887,200	17,065,000	515,500	17,580,500	(22,100)	17,558,400
In-State Travel	73,500	85,300	(11,200)	74,100	(100)	74,000
Out of State Travel	51,400	61,400	(1,400)	60,000	0	60,000
Current Expense	8,691,400	10,925,300	(2,112,700)	8,812,600	(980,900)	7,831,700
DP Current Expense	7,891,200	6,216,600	1,227,600	7,444,200	0	7,444,200
Other Charges/Pass Thru	83,700,700	60,795,900	22,744,800	83,540,700	0	83,540,700
Total	\$117,295,400	\$95,149,500	\$22,362,600	\$117,512,100	(\$1,003,100)	\$116,509,000
Other Data						
Budgeted FTE	229.4	229.4	7.2	236.6	-5.0	231.6
Vehicles	3.0	3.0	0.0	3.0	0.0	3.0

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

LEGISLATIVE ACTION

1. The Analyst recommends that the Health and Human Services Appropriations Subcommittee approve a base budget for FY 2010 for the Health Care Financing line item in the amount of \$116,509,000 with funding as listed in the Budget Detail Table.
2. The Analyst recommends the adoption of the intent language as listed on the previous page.
3. The Analyst recommends moving \$296,800 General Fund and \$337,900 federal funds from Health Care Financing to Medicaid Mandatory Services to better reflect the cost of services for the Department's Health Clinics.