Other Changes to Get to 10% Reduction in Health - January 19, 2011

Index	Unit of Government	Item	FY 2012 Ongoing GF/EF	FY 2012 One Time GF/EF	FY 2012 Other Funds	% of Program Reduced	FTE Active	FTE Vacant	Clients Affected	Impact	Statute Change?
1	Medicaid	DOH - Repeal Medicaid Drug Utilization Amendments (HB 258, 2008 GS, Lockhart)	$ (65,200)		$ (160,700)	0%				In 2008 the Legislature passed legislation prohibiting the inclusion of immunosuppressive drugs used to prevent transplanted organ rejection in generic substitution requirements of the State Medicaid Program. In FY 2009, the first year of the new law may have added costs up to $225,900 Total Funds to the Medicaid program, which represents an increase of 23% for spending on immunosuppressive drugs from FY 2008. From FY 2007 to FY 2008 spending on immunosuppressive drugs decreased 5%. As more generic drugs became available the cost to the State will increase.	Y - UCA 26-18-2.4
2	Medicaid	DOH - Remove Exclusion for Drugs for Mental Illness for the Preferred Drug List	$ (1,438,800)	*$ 450,000*	$ (3,526,900)	4%				Public testimony to HHS on 1/12/10 suggested that we might be able to save money by removing the exclusion for mental illness drugs on the Preferred Drug List Program. The agency indicates that about 40% of drugs provided are for mental illness. This estimated assumes we can get similar savings on mental illness drugs as the drugs on the Preferred Drug List for half of FY 2011 and a month and a half of savings in FY 2010.	Y - UCA 26-18-2.4
3	Various	DOH - Raise Tobacco Retail License Fee	$ (143,100)		$ 143,100	0%				Currently the tobacco retail license fee (permission to sell tobacco products in a store) is $30 for the first three years and $20 every three years after that. This generates $15,900 in revenue to the General Fund annually. The $143,100 represents increasing the fee 10 times up to $300 for the first years and $200 for every three years after that. Local health departments are required to conduct quarterly checks of each tobacco retail facility.	Y - fee increases
4	Disease Control and Prevention	DOH - 5% Increase in Laboratory Fees to Cover More Administrative Expenses	$ (21,900)		$ 21,900	0%				A report from the Department of Health provided to the Health and Human Services Appropriations Subcommittee on November 18, 2010 stated that: "If all general funds in [Bureau of Laboratory Operations] were eliminated, a small amount of costs could be captured by fee increases in other bureaus --- perhaps 10%." This assumes 5% could be replaced.	Y - fee increases
5	Disease Control and Prevention	DOH - Change Initial Death Certificate Charge from $16 to $30 to Help Fund Medical Examiner	$ (46,200)		$ 46,200	0%				The fee for the initial copy of a death certificate currently costs $16. Each $1 change would bring in approximately $3,300 in additional revenue. This reduction would replace current General Fund appropriations with new fee revenue. This would take the charge to $30 per death certificate.	Y - fee increases
6	Disease Control and Prevention	DOH - Use Revenue From Hunting and Fishing Licenses to Offset Costs Associated with Related Environmental Testing	$ (40,000)		$ 40,000	0%				The State Laboratory tests mercury in water out in nature. This water testing helps to determine the health of fish in those waters. This is one example of where it may be appropriate to use fishing license fees for related testing.	Maybe
7	Family Health and Preparedness	DOH - 100% Increase in Annual Child Care Facility Licensure Fees	$ (71,000)		$ 71,000	0%			1,338	Currently child care centers pay a $25 annual license fee and $1.50 per child while home care providers pay an annual $25 licensing fee. Each 20% increase in these fees ($5 per license and $0.23 per child) would bring in an additional $14,200. As per current statute, this money would be deposited in the General Fund. The agency indicates that in 2005 neighboring states' child care center annual fees ranged from $0 to $480 and in home providers' fees from $0 to $60. Of the $71,000 estimated revenue, $45,000 would come from child care centers and $26,000 from home care providers.	Y - fee increases
8	Disease Control and Prevention	DOH - Insurance Mandate to Reimburse for Tobacco Cessation Services	$ (150,000)		$ 150,000	0%				Currently PEHP pays a fee per covered member who uses State tobacco cessation services. Intermountain Healthcare provides a similar benefit via their insurance plans. This would create a requirement in Utah for all insurance companies to pay for tobacco cessation benefits. This was done in the State of Oregon recently http://smoking-quit.info/oregon-to-offer-tobacco-cessation. The reduction here assumes that $150,000 spending for State-provided benefits could be replaced with reimbursement from insurance providers.	Y
9	Family Health and Preparedness	DOH - 100% Increase in Monthly Fee for Parents with Children in Baby Watch/Early Intervention	$ (149,000)		$ 149,000	0%			847	Parents with children in the Baby Watch/Early Intervention Program currently pay between $0 and $100 each month for the services their child receives. This would raise those fees paid to between $0 and $200 monthly. Families with incomes under 185% of the Federal Poverty Level would still pay $0 and families with incomes over 820% of the Federal Poverty Level would pay $200 monthly. This monthly gross income range is $3,400 to $15,100 for a family of 4. Services cannot be denied based on fees not being paid.	Y - fee increases

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10	Family Health and Preparedness	DOH - 50% Increase in Co-pays Assessed to Clients	$ (2,000)		$ 2,000	0%			225	In FY 2009 our State-run Children with Special Health Care Needs Clinics collected $32,000 in co-pay revenue from clients. This reduction in General Fund assumes that we could increase our collections by 50% to maintain the funding level.	Y - fee increases
11	Medicaid	DOH - Provider Assessment on Ambulatory Surgical Centers	$ (270,400)		$ 270,400	0%				A tax could be levied on providers and the money used for Medicaid provider rates (or other purposes). The use of the tax revenues could be set up in a variety of forms so that in total everyone comes out with more revenues or that only some parties come out with less revenues. The only limit on the amount of rates to be paid is that Medicaid cannot pay more than Medicare. This is a measure taken by 2 states as of FY 2010. This reduction assumes a 10% reduction in General Fund spending could be obtained based on FY 2010 expenditures. This action would be similar to what was done for hospital inpatient services via SB 273 from the 2010 General Session.	Y
12	Medicaid	DOH - Provider Assessment on Managed Care Organizations	$ (6,957,400)		$ 6,957,400	0%				A tax could be levied on providers and the money used for Medicaid provider rates (or other purposes). The use of the tax revenues could be set up in a variety of forms so that in total everyone comes out with more revenues or that only some parties come out with less revenues. The only limit on the amount of rates to be paid is that Medicaid cannot pay more than Medicare. This is a measure taken by 11 states as of FY 2010. This reduction assumes a 10% reduction in General Fund spending could be obtained based on FY 2010 expenditures. This action would be similar to what was done for hospital inpatient services via SB 273 from the 2010 General Session.	Y
13	Medicaid	DOH - Provider Assessment on Pharmacies	$ (4,093,000)		$ 4,093,000	0%				A tax could be levied on providers and the money used for Medicaid provider rates (or other purposes). The use of the tax revenues could be set up in a variety of forms so that in total everyone comes out with more revenues or that only some parties come out with less revenues. The only limit on the amount of rates to be paid is that Medicaid cannot pay more than Medicare. This is a measure taken by 4 states as of FY 2010. This reduction assumes a 10% reduction in General Fund spending could be obtained based on FY 2010 expenditures. This action would be similar to what was done for hospital inpatient services via SB 273 from the 2010 General Session. The Department indicates a need for 3% of the assessment for staffing to handle the number of providers affected by this measure.	Y
14	Medicaid	DOH - Provider Assessment on Physicians, Dentists, and Therapists	$ (4,397,800)		$ 4,397,800	0%				A tax could be levied on providers and the money used for Medicaid provider rates (or other purposes). The use of the tax revenues could be set up in a variety of forms so that in total everyone comes out with more revenues or that only some parties come out with less revenues. The only limit on the amount of rates to be paid is that Medicaid cannot pay more than Medicare. This reduction assumes a 10% reduction in General Fund spending could be obtained based on FY 2010 expenditures. This action would be similar to what was done for hospital inpatient services via SB 273 from the 2010 General Session. The Department indicates a need for 3% of the assessment for staffing to handle the number of providers affected by this measure.	Y
		Totals	**$ (17,845,800)**		**$ 12,654,200**				**2,410**		

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