



ARRA FUNDS APPROVAL – DEPARTMENT OF HEALTH

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: RUSSELL FRANSEN

ISSUE BRIEF

SUMMARY

The Legislature expressed interest in reviewing the federal stimulus or *American Reinvestment and Recovery Act* (ARRA) money separate from the annual review of federal funds. This brief fulfills that request. This brief also reviews the \$18,464,700 ARRA money spent in FY 2013 and ARRA money previously approved for FY 2014. The Analyst recommends approval of the increases in ARRA funding of \$36,143,400 for FY 2014 and \$36,198,000 for FY 2015 as well as the proposed intent language associated with the FY 2014 and FY 2015 increases.

LEGISLATIVE ACTION

The Executive Appropriations Committee requests that each subcommittee decide whether or not to accept new ARRA funding for FY 2014 and FY 2015.

1. The Analyst recommends that the Social Services Appropriations Subcommittee approve increased ARRA funds of \$36,143,400 for FY 2014 and \$36,198,000 for FY 2015 for the Department of Health.
2. The Analyst recommends the adoption of the intent language starting on page one for all line items with new ARRA funding in FY 2014 and FY 2015 except Medicaid Optional Services.

DISCUSSION AND ANALYSIS

Limitations on ARRA Spending

Intent language put the following conditions on all of the money passed in FY 2013 and FY 2014 (except for Medicaid Optional Services):

All General Funds appropriated to the Department of Health - Executive Director's Operations line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2014. If expenditures in the Executive Director's Operations line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the Executive Director's Operations line item from Federal Funds - American Recovery and Reinvestment Act in FY 2014, the Division of Finance shall reduce the General Fund allocations to the Executive Director's Operations line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

For FY 2014 and FY 2015 the Analyst recommends adoption of the following language for every line item where new ARRA money is anticipated except for Medicaid Optional Services:

All General Funds appropriated to the Department of (agency name) - (line item name) line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for (insert year). If expenditures in the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act in (insert year), the Division of Finance shall reduce the General Fund allocations to the (line item name) line item by

one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

FY 2013 Stimulus Funds – Spent vs Approved

The table below details the ARRA money approved vs the ARRA money spent in FY 2013.

ARRA in FY 2013	Approved	Spent	Higher/(Lower) Than Anticipated
Medicaid Optional Services	\$74,000,000	\$15,948,000	(\$58,052,000)
Executive Director's Operations	\$1,854,000	\$1,192,700	(\$661,300)
Medicaid and Health Financing	\$1,173,500	\$527,700	(\$645,800)
Family Health and Preparedness	\$685,900	\$644,700	(\$41,200)
Disease Control and Prevention	\$258,500	\$151,600	(\$106,900)
Total	\$77,971,900	\$18,464,700	(\$59,507,200)

FY 2013 Stimulus Funds – How Was the Money Used?

The money in FY 2013 was used for the following:

1. Medicaid Optional Services – **Health Information Technology** – \$15,948,000 for payments to health care providers for adopting electronic health care records and achieving meaningful use.
2. Executive Director's Operations – **Health Information Technology** – \$1,192,700 to expand participation in Utah's Clinical Health Exchange system, create the supports needed for a statewide Master Patient Index, and develop systems for sharing the electronic health information of patients with chronic conditions amongst providers.
3. Medicaid and Health Financing – **Health Information Technology** – \$527,700 for expanding participation in and sharing of electronic health records.
4. Family Health and Preparedness Services – \$644,700 to create a comprehensive **early childhood data warehouse**.
5. **Disease Control and Prevention** – \$116,700 in FY 2013 to improve the interoperability between medical providers and the Utah Statewide Immunization Information System. \$18,800 in FY 2013 for nutrition improvement education for child care providers. \$16,100 in FY 2013 for tobacco control, reduction, and cessation education training for staff of institutional facilities.

FY 2014 Stimulus Funds – Previously Approved

1. Medicaid Optional Services – **Health Information Technology** – \$21,000,000 for payments to health care providers for adopting electronic health care records and achieving meaningful use.
2. Executive Director's Operations – **Health Information Technology** – \$185,900 to expand participation in Utah's Clinical Health Exchange system, create the supports needed for a statewide Master Patient Index, and develop systems for sharing the electronic health information of patients with chronic conditions amongst providers.
3. Medicaid and Health Financing – **Health Information Technology** – \$722,700 for expanding participation in and sharing of electronic health records.

Stimulus Funds FY 2014 & FY 2015 – Requesting Approval

1. Medicaid Optional Services – **Health Information Technology** – \$35,200,000 in FY 2014 and \$35,365,000 in FY 2015 for payments to health care providers for adopting electronic health care records and achieving meaningful use.

2. Executive Director's Operations – **Health Information Technology** – \$740,700 in FY 2014 to expand participation in Utah's Clinical Health Exchange system, create the supports needed for a statewide Master Patient Index, and develop systems for sharing the electronic health information of patients with chronic conditions amongst providers.
3. Medicaid and Health Financing – **Health Information Technology** – \$110,300 in FY 2014 and in \$833,000 FY 2015 for expanding participation in and sharing of electronic health records.
4. **Disease Control and Prevention** – \$92,400 in FY 2014 to improve the interoperability between medical providers and the Utah Statewide Immunization Information System.

ARRA in FY 2014	Already Approved	Change Requested
Medicaid Optional Services	\$21,000,000	\$35,200,000
Executive Director's Operations	\$185,900	\$740,700
Medicaid and Health Financing	\$722,700	\$110,300
Disease Control and Prevention	\$0	\$92,400
Total	\$21,908,600	\$36,143,400

The FY 2014 approved amount of \$21,908,600 reflects what was approved at the conclusion of the 2013 General Session. As is done annually with all funding sources, the agency has updated their estimated ARRA funds for FY 2014. In this case the estimated funds increased by \$36,143,400. The table above shows additional ARRA funds by line item.

The Department of Health requests a total of \$36,198,000 ARRA funds for FY 2015 in the line items shown in the table below:

ARRA in FY 2015	Request
Medicaid Optional Services	\$35,365,000
Medicaid and Health Financing	\$833,000
Total	\$36,198,000

Additional information on all ARRA funds used in Utah

- www.recovery.utah.gov
- www.recovery.gov