

Priority# ⁽¹⁾	Ongoing State Funds	One-time State Funds	Total Funds ⁽²⁾	Budget Effectiveness Review for 2% - <u>Chair Proposal</u>	Requires Other Changes?
1	\$ (7,392,800)	\$ (1,352,800)	\$ -	DWS - Savings From Higher Federal Match Rate - The federal government provided a higher match rate to the State beginning in FFY 2014 for certain eligibility costs associated with mandatory changes to Medicaid from federal health care reform. The full ongoing savings is available in FY 2016. The one-time savings could be taken as ongoing or one-time in FY 2015. The agency estimates one-time additional savings of \$540,000 in FY 2015.	No
2	\$ (1,488,700)	\$ (1,488,700)	\$ -	DOH - Tobacco Settlement Restricted Account (Sweep Balance) - FY 2014 ended with a balance of \$1,488,700. If the same level of revenues come in next year, this could be an ongoing source of revenue in addition to a one-time source. There are no statutory restrictions for how the funds may be used.	No
3	\$ (753,500)	\$ (41,900)	\$ (1,507,000)	DWS - Affordable Care Act Mandatory Changes - Workforce Services received \$1,800,000 in ongoing funding for 43 FTEs to handle forecasted increased Medicaid enrollment of 35,300 due to mandatory changes in federal health care reform that expands Medicaid eligibility for children. As of October 2014 the Department indicated that it has hired 23 FTEs. The Department estimates a need for 25 FTEs to handle the approximately 6,400 new Medicaid clients due to mandatory expansion. This reduction takes away the ongoing funding for the remaining 18 FTEs The Legislature can chose to make any reduction and subsequent use contingent upon actual savings realized via intent language.	No
4	\$ (12,300)	\$ (12,300)	\$ -	DOH - Use 3% Maximum from Nursing Restricted Account for Administration - By statute 3% of the Nursing Care Facilities Account can be used for administration. The account was recently increased in FY 2014 and the administration is not currently at 3%. The reduction represents an exchange of these restricted account funds for General Fund and takes the State to using 3% on administration based on projected collections.	No

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5	\$ (908,400)	\$ -	\$ (908,400)	DWS - Two Zoos - The Hogle Zoo in Salt Lake City receives \$854,000 or 8% of its operating expenses in FY 2014 with the Willow Park Zoo in Logan receives \$54,400 or 16%. In FY 2014 the Hogle Zoo had 1.22 million guests. The money from the State represents a subsidy of \$0.70 per guest. In FY 2014 the Willow Park Zoo collected about \$80,000 from its admissions. More information about the Hogle Zoo's financials can be found at http://www.hoglezoo.org/wp-content/uploads/2014/06/Annual-Report-2013.pdf .	No
6	\$ (7,000)	\$ 7,000	\$ -	DWS - Administration - Women in the Economy Commission (H.B. 90, 2014 GS) -- \$55,000 Ongoing (\$7,000 General Fund): for the commission's per diem, travel, and staff support. The commission is repealed at the end of FY 2016.	No
7	\$ (1,320,000)	\$ -	\$ (4,447,400)	DOH - Reduce Eligibility for Breast and Cervical Cancer Group from 250% FPL to 100% FPL - End Special Medicaid coverage for about 175 clients with breast and cervical cancer with incomes from 100% up to 250% of the Federal Poverty Limit (FPL). These higher income individuals would be immediately eligible for coverage via the federal health insurance exchange. If coverage ended before June 30, 2015, there would also be one-time General Fund savings.	No
8	\$ (100,000)	\$ -	\$ (200,000)	DOH - End Nurse Case Management Medicaid Pilot - Health received \$100,000 ongoing General Fund beginning in FY 2013 from its service funding to run a cost savings pilot project. Health contracted with Bear River Health Department for two nurses to manage 52 children with special health care needs on Medicaid in coordination with physician offices.	No
9	\$ (395,200)	\$ -	\$ (395,200)	DHS - Increase Fee by 200% for 968 Treatment Providers to Better Match Costs - Current fees to treatment providers represent only 10% of applicable current costs. UCA 63J-1-504 states that "Each fee agency shall adopt a schedule of fees assessed for services provided by the fee agency that are: reasonable, fair, and reflect the cost of services provided . . ." These fees are deposited into the General Fund. If the committee uses them, this amount would need to be reduced from the General Fund. Fee increases could be scaled up or down.	Yes - would require increasing rates in fee approval

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10	\$ (410,300)	\$ -	\$ (1,301,900)	USOR - reduce payment to the USOE Indirect Cost Pool: The Utah State Office of Education (USOE) maintains an indirect cost pool to help maximize the amount of federal dollars obtained. An indirect cost pool is where common costs are identified and allocated to divisions based on derived benefit. The Utah State Office of Rehabilitation (USOR), as a division under the State Board of Education, shares some of the costs common to USOE. USOR is facing a structural imbalance shortfall of state funding in the current 2015 fiscal year of \$6.3 million. The issues surrounding this structural imbalance go back five or six years. However, oversight and support from the State Board of Education or USOE seem to have been lacking in identifying or reconciling this issue. As a result, the analyst is recommending USOR reduce its payment to USOE for such support.	Maybe
11	\$ (58,200)	\$ -	\$ (58,200)	DHS - Review and follow Legislative audit (2011-02) regarding adoption subsidies: 1) increase consistency in the use and frequency of subsidies across regions (SL was 46% and others as high as 71%) and 2) increase consistency in average amounts paid per region for new subsidies (SL averaged \$135 and others as high as \$220 per individual per month).	No
12	\$ (32,500)	\$ (32,500)	\$ (32,500)	DHS - State Hospital Savings re H.B. 14 (2012) GS - The original fiscal note anticipated 4 individuals civilly committed to the State Hospital as a result of this bill. There has only been one civil commitment to the State Hospital since enactment of the bill. The State Hospital did hire staff to prepare for the effects of H.B. 14 at an ongoing cost of \$167,500 leaving an ongoing surplus of \$32,500.	No, unless reverse all funding.

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13	\$ (100,000)	\$ -	\$ (100,000)	DHS - State Hospital - Efficiencies from Outside Medical Providers - From an October 2014 report from the Legislative Auditor General (http://le.utah.gov/interim/2014/pdf/00004875.pdf): "USH is required to provide outside medical attention if needed. USH does not have contracts with any outside providers and does not use a fee schedule. Off-site medical records are not fully standardized." USH paid 904,100 for off-site medical expenses in FY 2013. USH states in its response to the audit finding: "USH is addressing this recommendation and is in the process of preparing a fee schedule based on established rates with Current Procedural Terminology (CPT) codes. USH has already negotiated discounted rates with 70 percent of our 63 current off-campus medical providers."	No
14	\$ (1,097,300)	\$ -	\$ (1,097,300)	DHS - DCFS - Review and follow up of Legislative audit (2011-02, p. 7+ - "Caseworkers need to perform work more efficiently") : 1) reduce the amount of travel by relying on caseworkers in other regions to visit clients who are placed outside their regions, 2) improved efficiency achieved internally by providing caseworkers with more technology and training.	No
15	\$ (650,000)	\$ -	\$ (650,000)	DHS - DSAMH - Maximize Medicaid Drug Court Funding - A recent performance audit points out that Drug Courts have room to improve Medicaid eligibility. "It appears that 122 drug court participants were eligible for but not enrolled in Medicaid . . . the use of . . . Medicaid for qualified FDC participants would reduce annual drug court costs . . . The state could potentially offset its annual FDC treatment costs by approximately \$650,000 or increase capacity in FDCs by 113 participants by coordinating with DWS to enroll eligible FDC participants in Medicaid . . . The reduction in state costs could have been used to divert 113 qualified offenders into FDC from more expensive programs, like prison. Enrolling 113 additional FDC participants could have reduced prison costs by more than \$3.1 million, assuming the qualified clients were incarcerated rather enrolled in an FDC" (Performance Audit No. 14-06, A Performance Audit of Utah's Adult Felony Drug Courts, pp. 18-19) [http://financialreports.utah.gov/saoreports/2014/PA14-06UtAdultFelonyDrugCourtsAdministrativeOfficeoftheCourts.pdf]	No

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16	\$ (100,000)	\$ -	\$ (336,900)	<p>DHS - DSPD - Ongoing Savings from System Improvements: From an October 2014 audit from the Legislative Auditor General (http://le.utah.gov/audit/08_dilr.pdfhttp://le.utah.gov/interim/2014/pdf/00004878.pdf): The Legislative Audit recommended 6 specific improvements in the DSPD process. For example, the DSPD budget has grown significantly through the Request for Additional Services (RAS) process. The auditors stated, "DSPD lacks standardized assessment tools and procedures to evaluate additional service requests . . . There is no mechanism for consistently weighing and reviewing additional services allocations." The DSPD response states, "DSPD has been working on the areas noted by these audit recommendations." \$336,900 in a \$250,994,300 FY15 budget equates to one tenth of 1 percent savings. The subcommittee could determine the amount of expected efficiency to be higher and adjust the amount accordingly.</p>	No
17	\$ (75,000)	\$ -	\$ (75,000)	<p>DHS - DCFS - Review and follow Legislative audit (2011-02) recommendations regarding consistent foster care contracting: 1) "One area where potential savings may occur is the increased use of lower-cost structured foster care homes instead of the current practice of using higher-cost proctor homes (Level III versus Level IV). Although both types of homes are family-based, the daily rate for the proctor home care is more than double the rate for structured home placement." At the time of the audit, only 3% of Salt Lake Region's foster homes were "Structured" as compared to Western that had 65%.</p>	No

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18	\$ (100,000)	\$ -	\$ (100,000)	DHS - DSAMH - Savings to local mental health and substance abuse systems for both children and adults that have already occurred resulting from passage of federal health care reform (ACA) - Under the ACA, the state is required to modify its Medicaid eligibility requirements as follows: 1) elimination of asset test for children 6 to 18 if under 100% of FPL (or up to 138% of FPL if previously eligible for CHIP), 2) elimination of the asset test for pregnant women, and 3) elimination of the asset test for adults who meet the old AFDC program income limits (37% of FPL). Amount represents less than four tenths of 1% of state General Fund pass through provided. Savings would involve newly covered groups where local agencies had paid the full amount before.	No
19	\$ (221,800)	\$ -	\$ (221,800)	DHS - Childrens' Ombudsman - eliminate duplication of constituent response functions with DCFS - this function, located in the Executive Director Operations line item - presents some duplication with constituent response efforts in the Division of Child and Family Services.	Maybe
20	\$ (40,000)	\$ -	\$ (40,000)	DOH - Cytomegalovirus Public Health Initiative - This ends the increased funding provided in FY 2015 beginning in FY 2016. The increase was primarily used for public awareness campaigns such as advertising on public transit.	No
21	\$ (150,000)	\$ -	\$ -	DOH - Data Security and Privacy Office - the ongoing savings represent the amount of federal funds obtained which can replace General Fund provided. The Department of Health would like to retain all the \$300,000 original appropriation and match it all to hire an additional 2.5 FTEs for data security.	No
22	\$ (520,000)	\$ -	\$ -	DOH - Have Birth Certificate Fees Statewide Pay for System Costs - currently the State of Utah pays for all of the system costs for issuing birth certificates statewide. Additionally, the State of Utah pays for related costs such as auditing of hospitals and an archivist for older birth records. The state's 12 local health departments currently charge \$20 and keep all of it. <u>In FY 2014 there was \$2.3 million in fees kept for birth certificates. The local health departments kept \$1.4 million or 62% and the state kept \$0.9 million or 38%.</u>	Maybe

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23	\$ (75,900)	\$ -	\$ (75,900)	DHS - DCFS - reductions in administration current expense.	No
24	\$ (67,100)	\$ -	\$ (67,100)	DHS - DCFS - Reduce number of programing consultants for SAFE per department's 2% document.	No
25	\$ (59,600)	\$ -	\$ (119,200)	DHS - DSPD - Reduce costs in Service Delivery per department's 2% document.	No
26	\$ (50,000)	\$ -	\$ (168,500)	DHS - Reduce costs in Developmental Center - (costs in ancillary areas such as: Administration, Finance, Maintenance, DTS, Housekeeping, and Grounds).	No
27	\$ (216,400)	\$ -	\$ (432,800)	DOH - Medicaid Administration Reduction to Match Lapsing Funds in FY 2014 - Medicaid administration (Medicaid and Health Financing line item) lapsed (did not spend) \$216,400 in FY 2014 and \$547,900 in FY 2013. This would take ongoing the amount of funds lapsed in FY 2014. The Department indicates that there were one-time savings from billing some administrative line item employees time for work on the Medicaid Management Information System replacement project. Now the Department has hired more full-time Medicaid Management Information System workers and does not anticipate more savings.	No
28	\$ (30,900)	\$ -	\$ (30,900)	DHS - DSAMH - Reduce Substance Abuse and Mental Health administrative current expenses	No
29	\$ (26,800)	\$ -	\$ (57,600)	DHS - DSPD - Reduce costs in Administration per department's 2% document.	No
30	\$ (18,200)	\$ -	\$ (18,200)	DHS - Reduce costs associated with the Public Guardian, Legal Affairs, and Administrative Hearings programs - Reductions could be from the following areas: Public Guardian (-\$8,800), Legal Affairs (-\$4,800), and Administrative Hearings (-\$4,600).	No
31	\$ (12,400)	\$ -	\$ (37,600)	DHS - ORS - reduce ORS current expense costs.	No
32	\$ (11,000)	\$ -	\$ (11,000)	DHS - Reduce costs associated with department administration	No
33	\$ (10,700)	\$ -	\$ (10,700)	DHS - DAAS - Reduce Administration current expenses.	No

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34	\$ (45,000)	\$ -	\$ (151,600)	DOH - Pay Nurse Practitioners a Lower Rate Than Physicians - Currently Medicaid pays nurse practitioners at the same rate as physicians. This change would start to pay the nurse practitioners at a lower rate than physicians. Each 1% reduction generates \$1,800 in General Fund savings. The savings listed represent a 25% reduction in rates.	Maybe

\$ (16,557,000) \$ (2,921,200) \$ (12,652,700) Grand Total - Budget Effectiveness Review for 2% - Chair Proposal
\$ 37,500 **2% Ongoing Target - Over/(Under), should equal \$0**

(1) #1 priority is the first item recommended for reductions (if reductions are taken).

(2) Where there are numbers in both ongoing and one-time state funds columns, the total funds represents ongoing funds.

Underline = new information added since the budget effectiveness sheets dated 1/26/2015.