Utah Department of Health, Division of Medicaid and Health Financing

The Division of Medicaid and Health Financing has supported budget reductions totaling $684,200 One-Time and $184,200 Ongoing on the Consensus Reduction List. These reductions were a result of higher copays for Medicaid members, an exchange of funds related to the Nursing Care Facilities Assessment, and an estimated surplus from a waiver program.

In addition, upon further review, the Division has agreed to support LFA Proposal #35 for an additional $260,200 One-Time.

In total the Division is offering up $944,400 One-Time and $184,200 Ongoing.

Responses to LFA Proposed 2018 General Session Additional Budget Reductions

LFA Proposal #32: DOH - Nursing Facility Upper Payment Limit Increased Administrative Medicaid Seed Money

- *The Department is opposed to this proposal.*
- *This cut erodes the Department's General Fund base for its administration and further increases its reliance on administrative fees.*
- *Additionally, current estimates of FY18 collections are approximately $104,000 less than FY17 collections due to one-time collections received in FY17.*

LFA Proposal #33: Increase in Medicaid Administrative Seed Money

- *The Department is opposed to this proposal.*
- *This cut erodes the Department's General Fund base for its administration and further increases its reliance on administrative fees.*
- *The Department is required to implement significant mandates from U.S. HHS regarding managed health care and home and community-based services but has not received any additional state appropriations to do so.*

LFA Proposal #34: Reduced Mailing Costs via More Electronic Notifications

- *The Department is opposed to this proposal.*
- *It is unclear at this time what cost savings and increases may occur as a result of the move to the PRISM cloud system.*
- *It is premature to begin cutting administrative budgets based on potential savings in FY 2020.*

LFA Proposal #35: Children's Health Insurance Program 100% Federal Match

- *The Department is supportive this reduction.*
- *The Department originally opposed the proposed budget reduction related to the beginning non-lapsing funds because there was some concern a potential federal payback. However, the concern regarding a payback has since been resolved.*

LFA Proposal #36: Additional Savings from Mental Health Preferred Drug List

- *The Department is opposed to this proposal.*
- *Changes in savings related to the Mental Health Preferred Drug List are considered and agreed upon in the Consensus process when determining the total funding need for the program.*
- *Isolating specific Consensus components to reduce outside of the Consensus process adds complexity to the process and increases the risk of error in the Consensus funding calculation.*
- *In addition, the savings related to the Mental Health Preferred Drug List will be reviewed/revised in the February Consensus meeting. Thus, a reduction at this point is premature.*

LFA Proposal #37: Unused Primary Care Network Slots

- *The Department is opposed to this proposal.*
- *The Division is opening PCN enrollment for Adults without Dependent Children in February and enrollment for Parents is continuous. This will impact the FY18 enrollment. FY19 enrollment is subject to open enrollment periods that will occur in FY19.*
- *Changes in PCN enrollment are considered and agreed upon in the Consensus process when determining the total funding need for the program.*
- *Isolating specific Consensus components to reduce outside of the Consensus process adds complexity to the process and increases the risk of error in the Consensus funding calculation.*
- *In addition, the enrollment estimates for PCN will be reviewed/revised in the February Consensus meeting. Thus, a reduction at this point is premature.*

LFA Proposal #38: End Utah Premium Partnership Program

- *The Department is opposed to this proposal.*
- *The UPP program assists lower income individuals in purchasing private health insurance to address their health care needs.*
- *Without this program, there will likely be an increase in uncompensated care in emergency rooms and hospitals.*

LFA Proposal #39: Remove 20% Rate Enhancements for Rural and Oral Surgeon Dentists

- *The Department is opposed to this proposal.*
- *This rate reduction would trigger an access to care evaluation by CMS*
- *This will require a State Plan Amendment (SPA) and depending on the results of the access to care evaluation, this SPA may not be approved.*

LFA Proposal #40: Remove 12% Rate Enhancement for Rural Physicians

- *The Department is opposed to this proposal.*

- *This rate reduction would trigger an access to care evaluation by CMS*
- *This will require a State Plan Amendment (SPA) and depending on the results of the access to care evaluation, this SPA may not be approved.*

LFA Proposal #41: Reduce Eligibility for Breast and Cervical Cancer Group from 250% FPL to 100% FPL

- *The Department is opposed to this proposal.*
- *Individuals with access to affordable coverage through an employer (including a family member's employer) would not be eligible for this assistance.*
- *In addition, even at the lowest cost sharing levels, these individuals would face deductibles of $250, 20% coinsurance on some services, and out of pocket maximums of $2,250.*

LFA Proposal #42: No Pregnant Women Over 21 to Receive Dental and Vision Services in Medicaid

- *The Department is opposed to this proposal.*
- *According to 42 CFR 440.210, Medicaid must provide services for conditions, which may complicate the pregnancy.*
- *There are several published studies that support the idea that dental services may impact a pregnancy.*
- *To our knowledge, no other state has been willing to remove these services from pregnant women.*

LFA Proposal #43: Surplus Funds in Medically Complex Children's Waiver

- *The Department is opposed to this proposal.*
- *The Department received additional funding in SFY2017 to fund additional qualifying children to participate in the program.*
- *The Department opened an application period in May 2017, and enrolled additional children in the program.*
- *The Department estimates spending an increased amount in FY2018 over FY2017 primarily due to the increased enrollment in the program in FY2018.*

LFA Proposal #44: End Medicaid Non-emergency Medical Transportation

- *The Department is opposed to this proposal.*
- *Eliminating this service, resulting in members' inability to receive needed medical services, will likely result in higher cost ambulance transportation costs and emergency room use in a hospital setting.*
- *42 CFR 431.53 reads, "A State plan must - (a) Specify that the Medicaid agency will ensure necessary transportation for beneficiaries to and from providers; and (b) Describe the methods that the agency will use to meet this requirement."*