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# In-Depth Budget Review of the Utah Department of Health

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**Social Services Appropriations  
Subcommittee, August 14, 2018**



# Non-Administrative Expenditures in Federal Programs Overshadow DOH Operations

	2012	2013	2014	2015	2016
<b>Total Budget</b>	<b>\$2,333.54</b>	<b>\$2,460.00</b>	<b>\$2,671.00</b>	<b>\$2,766.00</b>	<b>\$2,909.00</b>
<b>Non-Admin. Expenditures</b>					
Medicaid	\$(2,098.62)	\$(2,215.60)	\$(2,395.40)	\$(2,485.90)	\$(2,617.73)
WIC	(55.01)	(53.90)	(51.32)	(50.95)	(50.05)
Vaccine Commodities	-	-	(24.27)	(27.15)	(25.51)
Baby Watch	(17.24)	(15.47)	(17.01)	(17.24)	(18.25)
Other	(10.48)	(11.74)	(12.40)	(12.01)	(13.55)
<b>Admin. Budget</b>	<b>\$152.19</b>	<b>\$163.29</b>	<b>\$170.60</b>	<b>\$172.75</b>	<b>\$183.91</b>

**FOR MORE INFORMATION**

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# Chapter II

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## Analysis of Accountable Care Organizations Can Lead to Savings



# Unit Costs Are Increasing

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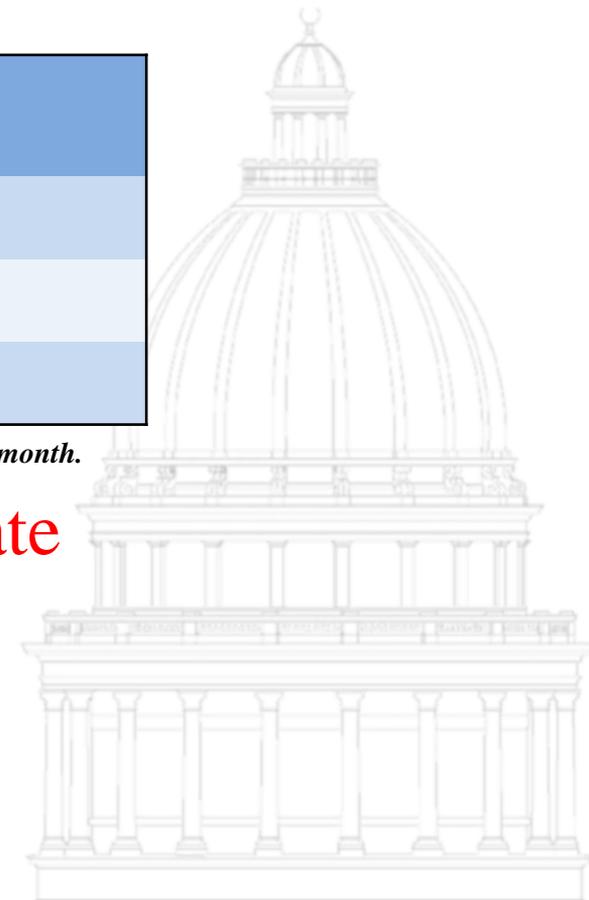
Year	Paid PMPM*
2016	\$192.07
2015	\$182.13
2014	\$177.71

*\*PMPM: Per Member Per Month are the number of individuals participating in a plan each month.*

**Question: Are ACO costs commensurate or are there opportunities for savings?**

**FOR MORE INFORMATION**

**Pages 13-14**

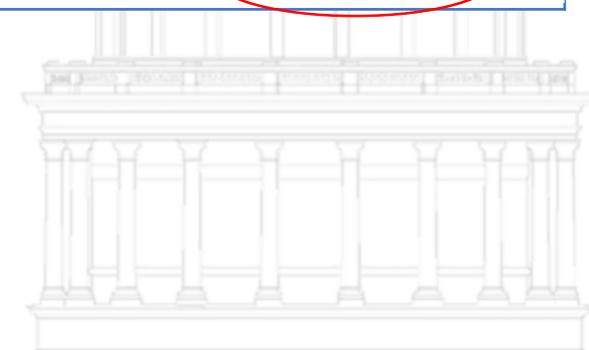


# \$75 Million Modeled Cost Efficiency from 2014 to 2016

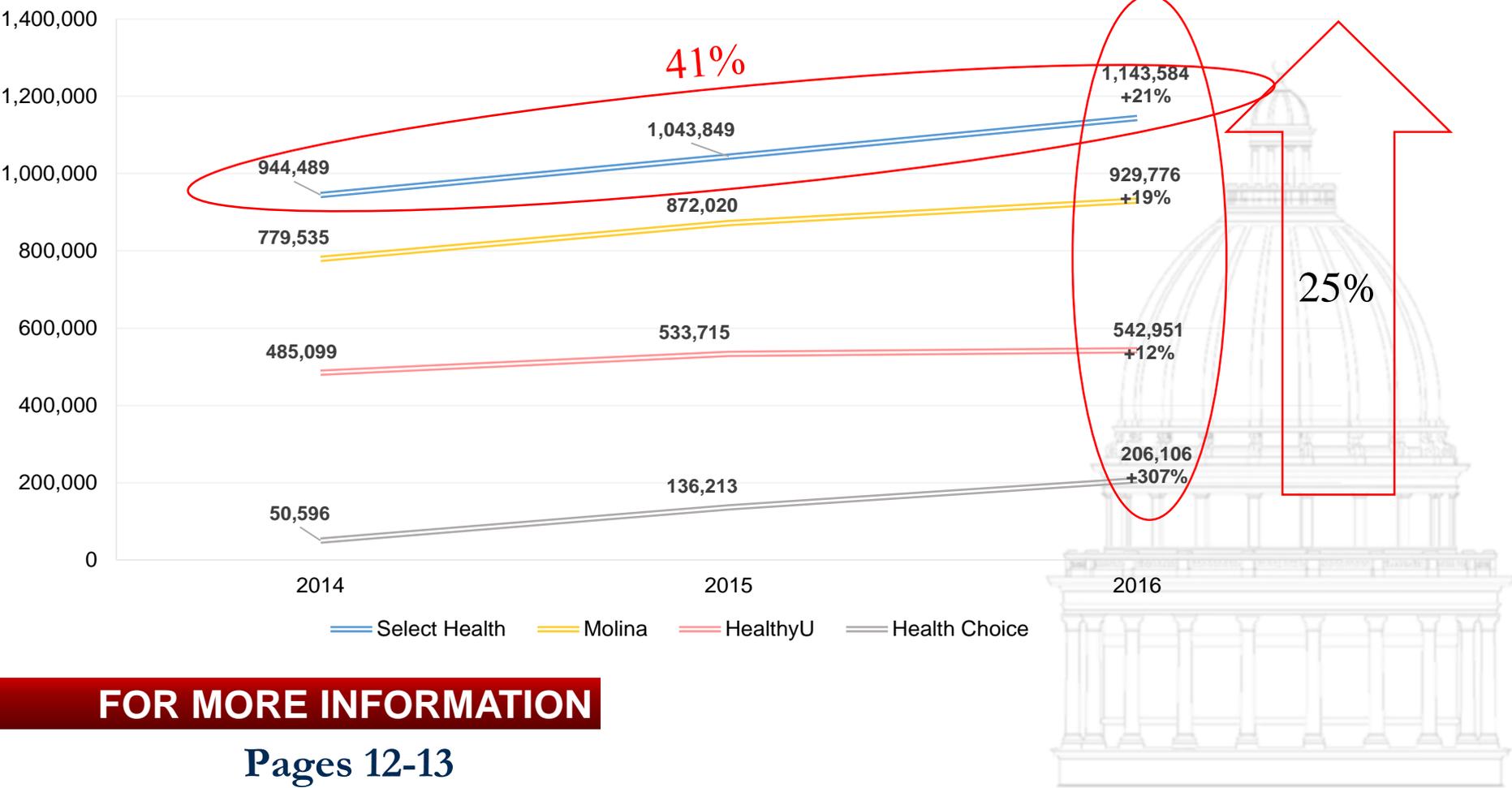
	2014	2015	2016	Average	Total
<b>Select Health</b>	\$11,257,501	\$0	\$17,861,925	\$9,706,475	\$29,119,426
<b>HealthyU</b>	23,333,130	8,521,094	4,977,548	12,277,257	36,831,772
<b>Health Choice</b>	1,965,288	1,380,920	5,071,944	2,806,051	8,418,152
<b>Molina</b>	0	266,980	0	88,993	266,980
<b>Total</b>	<b>\$36,555,919</b>	<b>\$10,168,994</b>	<b>\$27,911,417</b>	<b>\$24,878,777</b>	<b>\$74,636,330</b>

**FOR MORE INFORMATION**

**Pages 10-11**



# ACO Growth Increases Need for Cost-Savings Measures

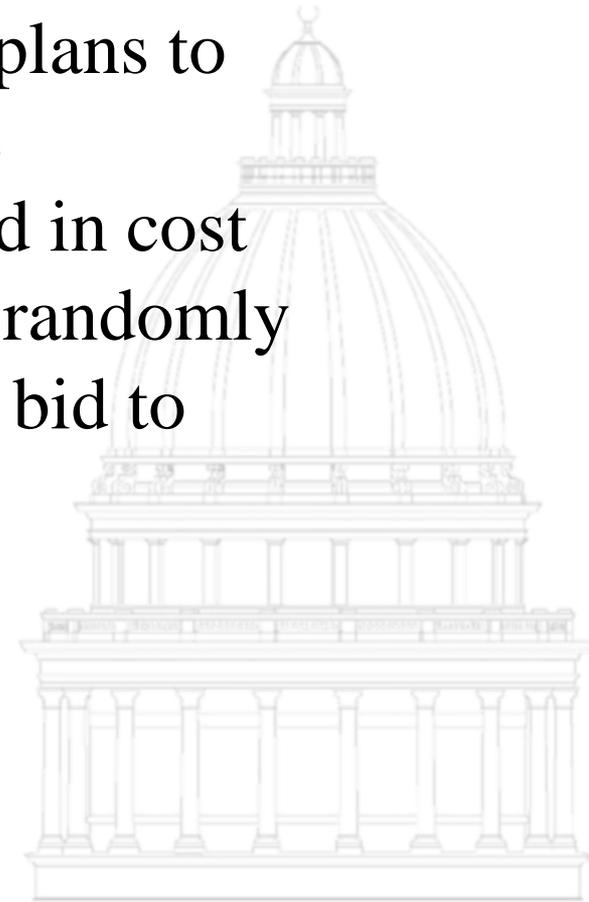


# DOH Can Offer Methods to Improve Efficiency

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- DOH should regularly benchmark plans to determine most cost-efficient plans
- Medicaid recipients could be placed in cost efficient plant rather than assigned randomly
- DOH could consider a competitive bid to obtain most efficient ACO plans

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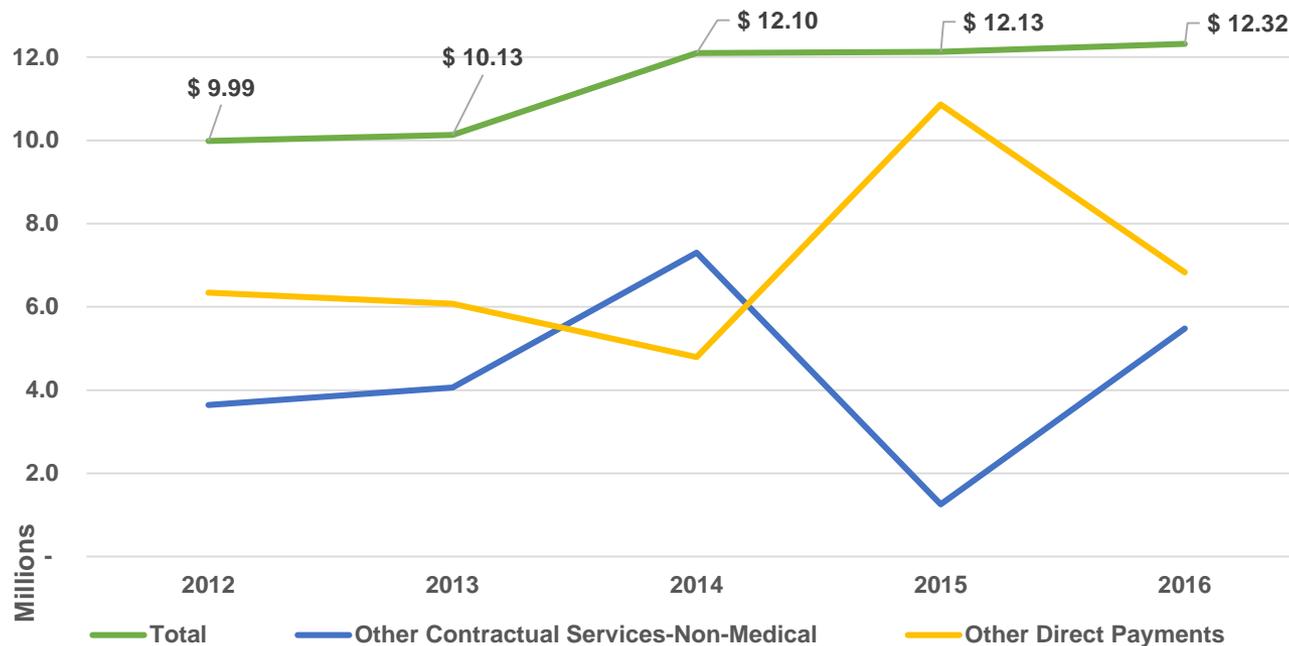
# Chapter III

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## DOH Can Improve Some Budgeting Practices



# Inconsistent Coding Obscures the Budget



**FOR MORE INFORMATION**

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