Impacts to Other Programs From Medicaid Expansion

For "Recommended Action," staff evaluated:
1. Which programs will be impacted by Medicaid expansion?
2. Where could reductions be taken without impacting the current number of clients served?

Program Name - Service Provided	FY 20 State Funds[1]	FY 20 Total Fund	FY 18 Clients	FY 19 Clients	FY 20 Clients (est.)	Agency Explanation: (1) How Will Medicaid Expansion Impact This Program? (2) Why Should Funding be/not be Changed?	LFA Recommended Action	Agency
Department of Health - Executive Director's Operations								
All-Payer Claims Database - The APCD includes medical, dental and pharmacy claims paid on behalf of Utah residents for most health plans, Medicaid, Medicare, and third party administrators. Data are cleaned, standardized, and enhanced with analytics software to produce measures of risk and the burden of illness.	$735,500	$857,700	324,100 - All enrolled Medicaid Clients	315,300 - All enrolled Medicaid Clients	363,600 - All enrolled Medicaid Clients	(1) Medicaid expansion may impact the program through data completeness. As the uninsured population enrolls, their data will be added to the database moving forward making it larger. If the expansion shifts people from private insurance to Medicaid or increases dual coverage, the impact on the database will be minimal for those populations. (2) General Fund should stay the same. It is likely that the total volume of data will increase and not be offset by the increase in federal matching funds.	We recommend that the Department of Health report to the Social Services Appropriations Subcommittee by October 1, 2020 on the current and projected impact of Medicaid expansion on the total and percentage of funds from Medicaid for the costs of the all-payer claims database.	Support - We support the recommendation to prepare a report on the projected impact of Medicaid Expansion on the total and percentage of funds from Medicaid for the All-Payers Claim Database.
Master Person Index - creating a unique identifier for individuals to be able to merge various medical record sources	$99,600	$400,500	N/A	N/A	N/A	This funding is an Operational Advanced Planning Document (OAPD) for IT infrastructure. This line item does not include direct services for Medicaid clients. Funding is not based on numbers of Medicaid clients, but rather on the costs for staff and contracted entities to complete the work. 100% of the work is already cost allocated to Medicaid.		
HITECH Newborn Screening Project - This project will connect NBS testing systems with medical records of newborns for direct access to test results in the child's medical record.	$176,800	$1,767,500	N/A	N/A	N/A	This funding is an Implementation Advanced Planning Document (IAPD) for IT infrastructure. This line item does not include direct services for Medicaid clients. Funding is not based on numbers of Medicaid clients, but rather on the costs for staff and contracted entities to complete the work. 100% of the work is already cost allocated to Medicaid.		
Transfer of seed to Medicaid Health Care Financing for Iona Thraen personnel direct charged to Medicaid Health Care Financing	$50,000	$59,700	N/A	N/A	N/A	It is not anticipated that Medicaid expansion will have any impact on this program as patient safety incidents need to be reported regardless of source if insurance, consequently there should be no reduction in funds. Medicaid already pays for a portion of this position to cover funding related to the work for Medicaid. It is not allocated based on clients; it is time to complete the work for Medicaid so there would be no increase in funding.		

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HITECH Controlled Substance Medicaid Integration Project - (The development of an infrastructure to improve the interoperability and health information exchange between the Controlled Substance Database (CSD) and Medicaid Eligible Providers (EPS))	$67,600	$676,100	N/A	N/A	N/A	This funding is an Implementation Advanced Planning Document (IAPD) for IT infrastructure. This line item does not include direct services for Medicaid clients. Funding is not based on numbers of Medicaid clients, but rather on the costs for staff and contracted entities to complete the work. 100% of the work is already cost allocated to Medicaid.		
Department of Health - Family Health and Preparedness								
Primary Care Grants - primary health care services to medically underserved populations	$2,791,200	$2,791,200	45,933	36,792	50,000	(1) This program provides services not covered by Medicaid, including adult dental care, case management, diabetes self management education, and adult physicals, to uninsured individuals (as well as services for insured individuals whose insurance does not cover needed services). (2) Medicaid expansion will not cover these services so funding should not be reduced.		
Bleeding Disorders - help with the cost of obtaining services for hemophilia	$177,600	$177,600	32	25	30	(1) Reducing funds for this program would have a negative impact on the patients who benefit from it since many of the services provided by the Utah Hemophilia Foundation are not covered by Medicaid. Expansion will not impact the program because the majority of the patients who benefit from the program are already above 200% Federal Poverty Level (FPL) but the services they receive are too costly to afford or are not covered by private insurance alone. (2) Medicaid expansion will not cover these services so funding should not be reduced. Medicaid only has one provider that is allowed to bill for bleeding disorder services and that is the University Hospital Home Infusion Center.	We recommend reducing ongoing General Fund by ($23,700) in FY 2021 and one-time by ($11,800) in FY 2020 to reflect the four of 30 estimated clients who might quality for Medicaid.	Oppose - We oppose reducing general fund based on clients who "might" qualify for Medicaid based on an estimation.
Transfer of seed to Medicaid Health Care Financing for Pregnancy Risk Assessment Monitoring System Activities	$99,800	$113,800	347	311	454* *Increase due to one year oversample for opioid surveillance	(1) Expansion will have minimal impact on this program. The total number of women selected for the survey will remain unchanged. We may sample more women with Medicaid as more women become eligible for coverage. This would enhance our ability to conduct Medicaid specific analyses. We cannot bill more to Medicaid as we are limited by the amount of State general funds for the program. (2) Funding should not be reduced as Pregnancy Risk Assessment Monitoring System (PRAMS) provides the only source of data for maternal health before, during, and after pregnancy and supplied the only information we have regarding health insurance throughout pregnancy, reasons for lack of health insurance, and utilization of selected services.		

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Transfer of seed to Medicaid Health Care Financing for Fostering Healthy Children	$1,209,000	$3,653,000	2,600	2,500	2,500	(1) The transfer of seed to Medicaid Health Care Financing for the Fostering Healthy Children Program is provided through a revenue agreement with Division of Child and Family Services (DCFS). Division of Child and Family Services provides the seed to for administrative case management activities. (2) There should be no impact on this program.		
Transfer of funds from Health Care Financing for Baby Watch Early Intervention Seed for Capitated Rate	$2,739,400	$11,870,600	1,686	1,529	1,608	(1) Seed of 30% for every capitated monthly rate payment of $473.22 is required. (2) Reducing State General Fund would put the program at risk of not being able to pay the required seed and the administrative 3-2-1 costs. Reported are the funds used only for Medicaid Match.		
Transfer of funds from Medicaid Health Care Financing for Pregnancy Risk Line Activities	$19,100	$38,200	6,407	6,841	7,100	(1) Medicaid Expansion would not impact the total clients served in this program. Clients served are not differentiated by insurance. (2) Funding should not be reduced as current general fund appropriated does not allow maximum Federal dollars to be drawn at the 50/50 match rate.	We recommend that the Department of Health explore using teratology funds as state match to maximize the draw down of federal Medicaid match for the Pregnancy Risk Line in order to free up approximately $44,000 in Maternal and Child Health Block Grant. The department should report on its progress by December 1, 2019 to the Office of the Legislative Fiscal Analyst.	Oppose - Maternal and Child Health Block Grant requires a match of 3 state dollars for every 4 federal dollars. Teratology revenues are already being utilized for Maternal and Child Health Block Grant state match, therefore they cannot be used to match Medicaid funds as well.
Transfer of seed to Medicaid Health Care Financing for Children with Special Health Care Needs Administrative Case Management	$18,000	$50,000	877	828	850	(1) FY 18, 19, and 20 counts include ALL children served by the Integrated Services Program (ISP) regardless of payor source (includes XIX, commercial insurance, and private pay). Our Medicaid population has averaged 40% of total count. Renegotiated Administrative Case Management (ACM) agreement between Children with Special Health Care Needs/Maternal and Child Health and Medicaid Health Care Financing further limits which children can be provided case management and subsequently costs that would be eligible. It would only include those who have Traditional Medicaid, or who are non-Medicaid but referred to apply for Medicaid. As such, ACM funds will already be reduced from previous years. (2) Medicaid expansion would not provide us with more children 0-18 to serve under ACM. Reduction of funds would impact the amount of Federal dollars available to draw.		

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Department of Health - Disease Control and Prevention								
Ryan White - medical and other services to underinsured individual with HIV (Human Immunodeficiency Virus)	$1,209,000	$5,298,600	1,300	1,500	1,300	(1) Approximately 400-500 clients may become newly eligible for Medicaid and roll off of Ryan White. Decrease in client enrollment will also decrease funding received for Emergency Relief Fund (ERF) grants and pharmaceutical rebates. It is anticipated that services may be limited or impacted due to Medicaid Expansion (2) Ryan White currently does not receive allocated state funding. The Ryan White program will continue to request level funding from HRSA to provide comprehensive services		
Cancer Screening - screening for low income individuals	$545,200	$3,444,800	6,793	6,865	8,017	We are able to serve women under 250% poverty level. Even with Medicaid Expansion, we are able to serve these women as a payor of last resort. Funding from Medicaid only through the Breast and Cervical Cancer Program (see below). If the state program budget is reduced, it puts the Centers for Disease Control and Prevention (CDC) grant at risk.		
Baby Your Baby Medicaid Match - presumptive eligibility for pregnant women applying for Medicaid	$200,000	$660,300	125,000	125,000	150,000	Medicaid Expansion will not impact this program. This is a community outreach program and is funded at the administrative match rate of 50:50.		
Tobacco Cessation Drug - Pregnant women on Medicaid are connected with a Medicaid Health Program Representative and is contacted every six weeks until the birth of her baby to provide support and connect her to tobacco cessation resources.	$106,300	$106,300	1,148	999	1,100	(1) Medicaid Expansion will not impact this program. We are already serving women in the Medicaid expansion group when they become Medicaid-eligible because of pregnancy. After the birth of their baby, the women lose Medicaid eligibility. (2) Funding should be maintained so we can reach Medicaid-eligible pregnant women who report tobacco use and help them quit.		
Tobacco Prevention Media Outreach, Medicaid - This outreach is part of a Comprehensive media campaign which includes ads and resources that are delivered to the Medicaid population through TV, radio, digital, print and other forms of media.	$1,822,000	$1,912,000	324,100 - All enrolled Medicaid Clients	315,300 - All enrolled Medicaid Clients	363,600 - All enrolled Medicaid clients	(1) This statewide campaign has the potential to reach all Medicaid clients. Medicaid expansion will ensure that more Utahns are receiving the important message of tobacco cessation to reduce death and disease. (2) The amount of funding currently used is for a statewide campaign and should not be reduced. If funding were increased, it would allow for better targeting of the tobacco cessation message to Medicaid clients.		
Department of Health - Medicaid Services								
Disproportionate Share Hospital Payments - payments to Government-owned hospitals that serve a disproportionate share of Medicaid and uninsured	$4,127,000	$33,015,800	N/A	N/A	N/A	Despite the reduction of uncompensated care, the Department does not foresee being able to cover all uncompensated care. Presently, most private facilities only receive a portion of their uncompensated care. As a result, funding should not be reduced.		

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Medically Needy Clients - Some programs allow Medicaid clients to be over the income limit and pay a spend down to become eligible.	$235,400	$740,000	215	246	200	Estimated number of adults 100-138% FPL. They will qualify for 90/10 funding under expansion, reducing the 2021 GF need by 2/3	We recommend reducing ongoing General Fund by ($167,000) in FY 2021 and one-time by ($83,500) in FY 2020 to reflect reduced demand for medically needy clients in Medicaid.	Support - Funding for this group could be reduced from $235,400 in general funds to $74,000 in general funds
Foster Care Graduates - This coverage group is for individuals who are in foster care under the responsibility of the state or a tribe when they turn 18 or older, and are under age 26. It includes children placed in foster care by Catholic Community Services (CCS) under the Unaccompanied Refugee Minor (URM) program who turn age 18 while in that foster care program.	$2,092,800	$6,658,500	504	518	468	(1) Under the provisions of the affordable care act, the expansion program is the last resort. All other forms of Medicaid eligibility need to be explored before someone can be placed on expansion. There is an exception for refugee Medicaid, which has been added to this list. As a result, there will be no impact to this population based on expansion. (2) Funding should not be reduced.		
Breast and Cervical Cancer Clients - Coverage for clients diagnosed with breast or cervical cancer.	$1,783,700	$8,918,700	249	218	197	Savings will only occur when the fallback plan is implemented and the state begins to receive 90/10 match. The Breast and Cervical cancer program will continue to serve those above 138% FPL.	We recommend that the Department of Health provide its estimate of clients and associated savings from Breast and Cervical Cancer Clients who will now be served at a higher match rate under Medicaid expansion and report by October 1, 2020 to the Office of the Legislative Fiscal Analyst.	Support
Newly Eligible Women Becoming Pregnant Staying at Enhanced Match Rate	$32,680,700	$103,979,400	8,720	8,138	7,346	Under the provisions of the affordable care act, the expansion program is the last resort. All other forms of Medicaid eligibility need to be explored before someone can be placed on expansion. There is an exception for refugee Medicaid, which has been added to this list. As a result, there will be no impact to this population based on expansion. See 42 CFR 435.119 for details.		
State-run Medical and Dental Clinics - provide access to services to Medicaid and Children's Health Insurance Program members	$5,104,900	$5,104,900	29,764	26,559	24,500	(1) Unless the Medicaid clients go up drastically, staffing at the clinics would not change so the amount of indirect would not increase (2) The Department estimated an increase in clinic patients as a result of Medicaid expansion. Those increases have not materialized to date. Any increases in patients would provide additional funding to address clinic fixed costs as well as some variable costs. This would reduce any state subsidy of the medical and dental clinics. We cannot tell at this point in time what the increase in patient load will be. It is premature to reduce any funding to the clinics.	We recommend that the Department of Health report to the Social Services Appropriations Subcommittee by October 1, 2020 on the current and projected impact of Medicaid expansion on the state subsidy needed for the state-run medical and dental clinics.	Support

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Refugee Medical - time limited (up to 8 months) for refugees who do not qualify for any other Medicaid program.	$27,100	$270,500	57	37	33	These are paid for out of another federal grant for refugees. We have to move them to expansion and will experience this as an increased expense to Medicaid. Based on 2020 state funds, this would be a cost of approximately $27,100 General Fund.		
Department of Human Services - Executive Director Operations								
Executive Director's Office	$3,250,500	$8,435,500	N/A	N/A	N/A	1) No fiscal impact presented by Medicaid Expansion. 2) DHS doesn't anticipate a significant increase of indirect from Title XIX costs.	With more eligible clients in services, could you bill a higher proportion of indirect to Medicaid?	Opposed - Based on allocation plan, we don't anticipate higher indirect billings to either EDO or OFO.
Fiscal Operations	$2,104,700	$2,597,100	N/A	N/A	N/A	1) No fiscal impact presented by Medicaid Expansion. 2) DHS doesn't anticipate a significant increase of indirect from Title XIX costs.	With more eligible clients in services, could you bill a higher proportion of indirect to Medicaid?	Opposed - Based on allocation plan, we don't anticipate higher indirect billings to either EDO or OFO.
Department of Human Services - Substance Abuse and Mental Health								
Administration	$1,266,800	$3,520,800	N/A	N/A	N/A	We are still too early to be discussing any savings in this area. This calculation is based on the previous years' numbers, so it will always be lagging. We just finished the FY19 counts and our Medicaid percentage moved from 51% to 54%, which is not material to the overall calculation but corresponds to the sluggish uptake reported elsewhere in enrollment. It's also important to note that any change in our Medicaid Administrative rate would be automatically distributed into services, so any reduction is a reduction in services. Services have experienced a decrease in funding (Approx $10 million) without a corresponding increase in fee-for-service Medicaid dollars. At this point any cut would be premature and in excess of what the system can accommodate at this time."	With more eligible clients in services, could you bill a higher proportion of admin to Medicaid?	Opposed

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Department of Workforce Services - Housing and Community Development								
INN Between - housing for terminally ill and medically frail homeless people	$150,000 Note: $50,000 of this amount may vary from year to year depending on the priorities of the State Homeless Coordinating Committee (SHCC), availability of funding sources, and applications received.	$150,000	35	84	100	(1) CMS has not approved any housing support related services under the Medicaid Expansion at this point. Therefore, Medicaid expansion would not currently impact this program. If CMS approves housing related supports in a future waiver submission, the program may or may not be impacted. (2) According to Department of Health, housing support implementation would likely not occur until late FY 2020 or early FY 2021. The budget cycle in FY 2020 would not be impacted. We recommend not reducing funding in FY 2021 as the State Homeless Coordinating Committee (SHCC) will award funding for FY 2021 contracts in May 2020.		

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Housing Supports - supportive housing services for low-income individuals	$1,882,996 Note: This amount varies from year to year depending on the priorities of the State Homeless Coordinating Committee (SHCC), availability of funding sources, and applications received.	$1,895,278	679	1,785	1,466	(1) CMS has not approved any housing support related services under the Medicaid Expansion at this point. Therefore, Medicaid expansion would not currently impact this program. If CMS approves housing related supports in a future waiver submission, the program may or may not be impacted. (2) According to Department of Health, housing support implementation would likely not occur until late FY 2020 or early FY 2021. The budget cycle in FY 2020 would not be impacted. We recommend not reducing funding in FY 2021 as the State Homeless Coordinating Committee (SHCC) will award funding for FY 2021 contracts in May 2020.		
Department of Workforce Services - State Office of Rehabilitation								
Rehabilitation Services- vocational rehabilitation and independent living services to support individuals with disabilities	$17,681,900	$51,212,000				Medicaid expansion will not have an impact on these services.		
Executive Director's Office - administration of the State Office of Rehabilitation	$482,300	$1,048,100				Medicaid expansion will not have an impact on the administration of the State Office of Rehabilitation.		
Services for the Blind and Visually Impaired - assistance for the blind or visually disabled in obtaining employment and increasing independence	$2,583,400	$3,808,800				Medicaid expansion will not have an impact on these services.		
Services to the Deaf and Hard-of-Hearing - assistance for the Deaf and hard-of-hearing, to increase productivity, independence, and community integration	$2,286,600	$3,234,000				Medicaid expansion will not have an impact on these services.		

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Department of Workforce Services - Administration								
Administrative Support	$3,312,200	$10,510,700	N/A	N/A	N/A	(1) Total expenses in the Administration line item are not expected to increase as a result of Medicaid expansion. However, because the Department of Workforce Services (DWS) uses a federally-approved cost allocation plan to allocate a portion of the costs in the Administration line item to the programs benefited by the costs, DWS expects that there will be a greater allocation of costs to Medicaid as a result of expansion activities. DWS estimates that an additional 1.5% to 2.5% of total costs in the Administration line item will be allocated to Medicaid as a result of expansion activities, resulting in an increase	We recommend that the Department of Workforce Services report to the Social Services Appropriations Subcommittee by October 1, 2020 on the current and projected impact of Medicaid expansion on allocation of costs to Medicaid.	Supports
Communications	$174,400	$1,382,500	N/A	N/A	N/A			
Executive Director's Office - administration for the Department of Workforce Services	$193,900	$1,071,600	N/A	N/A	N/A			
Human Resources	$499,900	$1,654,800	N/A	N/A	N/A			
Internal Audit - financial and program audits across the department	$208,800	$1,399,500	N/A	N/A	N/A			
Department of Workforce Services - Operations and Policy								
Eligibility Services - eligibility for various public programs, including TANF, Child Care, Medicaid, CHIP, SNAP, General Assistance, and Refugee Relocation	$21,141,400	$59,618,700	235,189 unique households 496,794 unique individuals	234,153 unique households 477,526 unique individuals	Estimates for unique individuals includes an additional 75,000 individuals based on 138% of poverty = 552,526	(1) With the current Bridge Program, impacts include more customers accessing Medicaid, conversion of existing customers to Adult Expansion Medicaid, costs associated with programming of the eREP system to process cases, the need to ramp-up the number of eligibility specialists to manage increased workload, and costs of training current staff on new program requirements and business processes. There are currently approximately 37,000 adults on Adult Medicaid Expansion. With additional Medicaid expansion activities (either Fall Back or Full Expansion), we know that approximately 40,000 customers currently on the federal exchange will transition to Medicaid from the exchange (the total number of newly eligible adults as a result of additional expansion activities is unknown but is estimated to be 75,000). Additional eREP system programming will be necessary to support new program requirements, additional eligibility specialists will need to be hired and trained, and current staff will need to be trained on new requirements and business processes. System programming costs associated with additional expansion activities are currently estimated to be $880,000. Increased staffing needs associated with additional expansion activities (assuming 75,000 additional eligible adults) is estimated at 171.46 FTEs which consists of 150 eligibility workers, 10 supervisors, 3 managers (2.5 FTEs), an assistant division director (0.63 FTE), 5 program specialists, and 4 quality control analysts (3.33 FTEs) at an estimated annual cost of $13,043,400. (2) With the need for additional system programming (Medicaid-specific items funded at a 90/10 federal/state split for new development),	We recommend that the Department of Workforce Services report to the Social Services Appropriations Subcommittee by October 1, 2020 on the current and projected impact of Medicaid expansion on allocation of costs to Medicaid.	Supports
Office of Child Care - promotion of high-quality school readiness programs, teacher training, and high-quality child care and after-school care	$101,300	$2,205,300				Medicaid expansion will not have an impact on these programs.		

(1) State Funds = General Fund, General Fund Restricted, and Dedicated Credits Revenue.