UTAH STATE HOSPITAL
DEDICATED CREDITS / BUDGET CUTS
TO STRAIN OR NOT TO STRAIN?

USH is allowed to spend up to 125% of authorized revenue collections from Dedicated Credits (Medicare A, B & D; Insurance collections, duty to support, etc.)

- Requesting FY20 Authorized $5,300,000
- Current FY21 proposed $300,000 budget cut

EFFORTS BY USH

Increased revenue comes with much effort (strain) by the USH Clinical and Billing Staff

- 18 USH Department Processes impacted to increase Dedicated Credits
- USH Revenue Cycle Manager invests hundreds of hours improving efficiencies
- Clinician increased documentation requirements
- IT modifications to EMR
- Efficiencies in preauthorization and insurance billing processes

INFLATION

USH has had many inflationary costs each year that are not funded

- Annual average food increase is 5% ($120,400 FY19)
- Annual average Medications cost increase 6% ($361,900)

MANDATES

USH has been mandated to upgrade facilities by the Centers for Medicaid and Medicare

- FY19 upgrade costs $1,200,000
- FY20 estimate $920,931
    - $670,000 in Capital Improvement Requests pending
    - $250,931 to be covered by USH

OTHER BUDGET CHALLENGES

One time needs are not predictable and impact budget.

- Ex: DEQ mandated Water Tank repair $42,350
- Flooring, furniture, kitchen equipment, patient damaged items, security systems, IT programs, recruitment and retention costs

SUMMARY: USH INTERNAL COST EFFICIENCIES

- USH has worked diligently to cover costs without additional funding requests
- Little incentive for USH to improve operational efficiency IF outcome is a budget cut
- Subsequent outcome would be supplemental requests each year
- Dedicated Credit Budget cuts actually cost State more in general fund
- Why impose controls that diminish operational efficiency

Should USH Employees STRAIN to improve Efficiencies – YES!