

Utah Medicaid ACO Funding History

Comparison to State General Fund, CPI-Medical and Milliman Medical Index Growth Rates
(as of December 2019)

| | SFY 2014 | SFY 2015 | SFY 2016 | SFY 2017 | SFY 2018 | SFY 2019 | SFY 2020 | SFY 2021 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------|----------|
| ACO Appropriation Increase | 2.0% | 2.0% | 2.0% | 2.0% | 3.5% | 2.0% | 2.8% | 2.0% |
| General Fund Growth Rate* | 3.6% | 3.5% | 2.7% | 3.8% | 4.3% | 3.9% | 5.0% | 4.1% |
| Cumulative Deficit from GF Growth | (1.9%) | (3.4%) | (4.1%) | (5.9%) | (6.7%) | (8.6%) | (10.8%) | (12.9%) |
| CPI - Medical** | 2.6% | 2.5% | 3.5% | 2.7% | 2.5% | 2.0% | 2.0% | |
| Cumulative Deficit from CPI | (0.6%) | (1.1%) | (2.6%) | (3.3%) | (2.3%) | (2.3%) | (1.5%) | |
| Milliman Medical Index (MMI)*** | 5.4% | 6.3% | 4.7% | 4.3% | 4.5% | 3.8% | 3.8% | |
| Cumulative Deficit from MMI | (3.4%) | (7.7%) | (10.4%) | (12.7%) | (13.7%) | (15.5%) | (16.5%) | |
| Savings Put in Stabilization Account | \$17.1 Million | **** | \$8.8 Million | \$18.5 Million | \$30.4 Million | **** | | |
| Account Balance | \$17.1 Million | \$17.1 Million | \$25.9 Million | \$44.4 Million | \$74.8 Million | \$74.8 Million | | |

Notes:

*Figures are Feb revenue estimates reported in EAC for next fiscal year, except for SFY 2021 figures which are Dec 2019 revenue estimates.

**Bureau of Labor Statistics (BLS) figures. CPI-Medical looks only at consumer's cost increases, not a health plan's increases. SFY 2020 uses 2019 as a proxy .

***The Milliman Medical Index takes into account both health plan and employee cost increases. SFY 2020 uses the 2019 amount as a conservative proxy.

****Current statute allows for ACO-generated savings to be placed In the Medicaid Growth Reduction and Budget Stabilization Account if

savings occur and the State of Utah has a budget surplus at the end of the fiscal year. The State of Utah closed SFYs 2015 and 2019 with a budget

deficit, which prevented ACO savings from being placed in the Stabilization Account. DOH reports another \$17 Million would have been deposited at the end of 2015.

-CMS issued its most recent National Healthcare Expenditures report forecasting a 5.5% **annual increase in per capita health care costs over the next ten years** .

ACO Growth vs. GF and Medical Inflation

