

## HB 501

Representative Dunnigan

### Local county-delivered Medicaid-financed Mental/ Substance Use Disorder Services funding issue 2024.

In the mid 1980s, Utah performed a Court Reorganization Project which essentially removed some of the responsibilities for court services from the counties and made them state responsibilities. This is the same effort that eliminated the circuit courts and established the justice court system, made youth detention a state responsibility, solidified the district courts, made district court judges state employees, and took over the administration of Utah's courts (with the exception of the justice courts) a state of Utah responsibility.

As part of the court reorganization, counties (which used to have operational and financial responsibilities for many court functions) were relieved of those responsibilities except for some functions such as jail transport, court bailiff services, public defense, etc. In doing this the legislature and Governor Rampton wanted to make sure the counties (as taxing entities and subunits of Utah State government) were not receiving an operational and financial windfall, so they went through a rigorous process of trading some state services for county services. One of these services was both mental health and substance use disorder services. But even after scoping out costs, the counties still had a windfall of about 20%. So the state legislature said it would fund about 80% of MH/SUD services but the counties must share costs by contributing 20% of the costs for MH/SUD - this is the origin of the 80/20 cost share on public BH services and the counties responsibility to operate these services on behalf of the state.

This all happened before the advent of Medicaid. Now both the public MH and SUD populations are, in large part, eligible for Medicaid (Medicaid legacy plan, Medicaid Expansion, Medicaid TAM). To further complicate things the Federal Medical Assistance Percentage (FMAP) which is the share the federal government picks up as a share of total state Medicaid Plan costs has shifted. The FMAP used to be 70% federal and 30% state now it is 65% federal and 35% state ( this is referred to as Medicaid Match). This shift of 5% reflects Utah's ability to more fully finance its Medicaid plan due to our terrific economy and smaller share of minor children in our population. But this 5% shift (for both physical health and behavioral health) is very costly with the counties not having the ability to increase local tax increase to fund the state share increase.