



Fiscal Note

H.B. 302

2016 General Session
Utah Medicaid Amendments
by Ward, R.



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(27,400,000)	\$26,460,400	\$(939,600)

Enactment of this legislation may generate about \$12 million in FY 2017 and \$14 million ongoing beginning in FY 2018 from a new tax on electronic cigarette products or nontherapeutic nicotine inhalers with revenues deposited into the newly-created Medicaid Expansion Fund. Additionally, this legislation may generate about \$3.6 million in ongoing revenues beginning in FY 2017 for the newly-created Medicaid Expansion Fund from the inpatient hospital assessment created by the bill. Further this bill deposits the ongoing savings attributable to Utah Medicaid Expansion in the amount of \$15.0 million beginning in FY 2017 into the newly-created Medicaid Expansion Fund. Enactment of this bill could increase federal funds receipts by the following amounts: \$2.9 million in FY 2016, \$331.2 million in FY 2017, \$428.6 million in FY 2018, and \$560 million in FY 2022. Finally, enactment of this legislation could reduce year-end transfers to the General Fund from the Insurance Department Restricted Account by \$5,600 one-time in FY 2016.

Revenues	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
General Fund, One-Time	\$(5,600)	\$0	\$0
General Fund Restricted	\$5,600	\$0	\$0
Federal Funds	\$2,887,700	\$331,161,400	\$428,597,200
Restricted Funds	\$0	\$30,600,000	\$32,600,000
Total Revenues	\$2,887,700	\$361,761,400	\$461,197,200

Enactment of this bill could increase total costs for Medicaid by an estimated \$3.8 million in FY 2016, \$330 million in FY 2017 and \$440 million in FY 2018. By FY 2022, the total cost increase could be around \$605 million. In calendar year 2016, federal funding will cover these cost increases and reduce the State's share of costs. Impacts to the General Fund could be a \$0.9 million one-time cost in FY 2016. The newly-created Medicaid Expansion Fund might cover all state costs from FY 2017 through FY 2020. There could be savings of \$1.8 million in FY 2017 and costs of \$11.4 million in FY 2018 for the Medicaid Expansion Fund. By FY 2022 the bill's General Fund cost could be an estimated \$30 million with another \$15 million in costs paid by the Medicaid Expansion Fund. Additionally, this legislation directs all \$15 million in ongoing General Fund savings attributable to Utah Medicaid Expansion into the Medicaid Expansion Fund and allows those funds to be used to cover costs. Enactment of this legislation could cost the Department of Insurance \$5,600 one-time in FY 2016 from the Insurance Department Restricted Account. If enactment of this bill results in more currently eligible, but not enrolled Medicaid clients signing up for Medicaid, then there could be additional costs of \$10.6 million General Fund and \$24.0 million federal funds in FY 2017 and \$27.8 million General Fund and \$65.7 million federal funds in FY 2022. If everyone eligible enrolled for Medicaid under enactment of this bill, total costs could increase for Medicaid by an estimated \$3.8 million in FY 2016, \$735 million in FY 2017 and \$910 million in FY 2018. By FY 2022 the total cost increase could be around \$1,260 million. In FY 2018 costs to the General Fund could be \$35.3 million. By FY 2022 the bill's General Fund cost could be an estimated \$110 million.

Expenditures	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
General Fund	\$0	\$27,400,000	\$27,400,000
General Fund, One-Time	\$934,000	\$(27,400,000)	\$(27,400,000)
General Fund Restricted	\$5,600	\$0	\$0
Federal Funds	\$2,887,700	\$331,161,400	\$428,597,200
Restricted Funds	\$0	\$13,228,400	\$26,382,300
Total Expenditures	\$3,827,300	\$344,389,800	\$454,979,500

Net All Funds	\$(939,600)	\$17,371,600	\$6,217,700
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Local Government

UCA 36-12-13(2)(c)

Local government mental health and substance abuse services will be replaced with full Medicaid coverage at a higher federal match rate for an estimated 10,600 individuals, which generates General Fund savings of about \$2,000,000 in FY 2017. These savings then decline annually beginning in FY 2018 to about \$1,500,000 by FY 2022. County governments will also see savings for newly eligible inmates for Medicaid to cover some inpatient hospital medical costs.

Individuals & Businesses

UCA 36-12-13(2)(d)

The revenues of \$12 million in FY 2017 and ongoing of \$14 million beginning in FY 2018 come from the new tax on electronic cigarette products or nontherapeutic nicotine inhalers paid by manufacturers, jobbers, distributors, wholesalers, retailers, users, or consumers. Further, the new ongoing revenues of about \$3.6 million beginning in FY 2017 for the new inpatient hospital assessment will be paid by privately-owned hospitals at rate of \$17.04 per discharge. Up to 72,500 recipients could begin paying existing Medicaid co-pays and other related costs beginning in FY 2017 in exchange for expanded services.

Performance Note

JR4-2-404

Required of the Health and due by February 08, 2016

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.