



Fiscal Note
H.B. 437 1st Sub. (Buff)
2016 General Session
Health Care Revisions
by Dunnigan, J. (Dunnigan, James.)



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$ (17,491,300)	\$ 14,220,300	\$ (3,271,000)

Enactment of this legislation may generate one-time revenue of about \$6.8 million in FY 2017 and ongoing revenue of \$13.6 million beginning in FY 2018 from inpatient hospital assessments to the Medicaid Expansion Fund, both of which are created by the bill. This bill deposits into the newly-created Medicaid Expansion Fund ongoing savings attributable to Utah Medicaid Expansion of \$1.3 million in FY 2017 and \$2.6 million in FY 2018, growing to \$5.9 million ongoing by FY 2021. This legislation appropriates \$2.5 million ongoing into the Medicaid Expansion Fund beginning in FY 2018. Further, the bill appropriates \$1,488,700 less ongoing beginning in FY 2017 from the General Fund Restricted - Tobacco Settlement Account to the State Endowment Fund. Enactment of this bill could increase federal funds receipts by the following amounts: \$38.1 million in FY 2017, \$77.5 million in FY 2018, and \$90 million in FY 2021.

Revenues	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
General Fund Restricted	\$0	\$1,488,700	\$1,488,700
Federal Funds	\$0	\$38,091,500	\$77,485,300
Restricted Funds	\$0	\$9,152,100	\$17,261,200
Total Revenues	\$0	\$48,732,300	\$96,235,200

Enactment of this bill could increase total costs for Medicaid by an estimated \$53.7 million in FY 2017, and \$111.1 million in FY 2018. By FY 2021, the total cost increase could be around \$130 million. Impacts to the General Fund could be \$5.8 million in FY 2017, \$15.7 million in FY 2018, and \$20 million ongoing by FY 2021. The newly-created Medicaid Expansion Fund might cover additional state costs of \$10.6 million in FY 2017, \$18.7 million in FY 2018, and \$22 million ongoing by FY 2021. Additionally, this legislation directs all the General Fund savings of \$1.3 million in FY 2017, \$2.6 million in FY 2018, and \$5.9 million in ongoing beginning in FY 2021 attributable to Utah Medicaid Expansion into the Medicaid Expansion Fund and allows those funds to be used to cover costs. Further, this legislation reduces appropriations from the General Fund to the Departments of Health and Human Services by \$2,508,500 ongoing beginning in FY 2017. The bill also increases ongoing appropriations beginning in FY 2017 to these two departments by \$1,488,700 from the General Fund Restricted - Tobacco Settlement Account and \$819,800 federal funds. 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 \$2.5 million General Fund and \$5.6 million federal funds in FY 2017 and \$4.7 million General Fund and \$11.3 million federal funds in FY 2021.

Expenditures	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
General Fund	\$0	\$17,491,300	\$17,491,300
General Fund, One-Time	\$0	\$(14,220,300)	\$(4,335,600)
General Fund Restricted	\$0	\$1,488,700	\$1,488,700
Federal Funds	\$0	\$38,091,500	\$77,485,300
Restricted Funds	\$0	\$10,640,800	\$18,749,900
Total Expenditures	\$0	\$53,492,000	\$110,879,600

Net All Funds	\$0	\$(4,759,700)	\$(14,644,400)
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Local Government

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

Some local government mental health and substance abuse services will be replaced with Medicaid coverage which generates ongoing General Fund savings of about \$200,000 beginning in FY 2018 and \$100,000 one-time in FY 2017. County governments will also see savings for newly eligible inmates for Medicaid to cover some inpatient hospital medical costs. Further, new ongoing revenues of \$136,000 beginning in FY 2018 and the one-time revenues of \$68,000 in FY 2017 for the new inpatient hospital assessment will be paid by hospitals owned by a non-state government entity.

Individuals & Businesses

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

Up to 16,100 recipients could begin paying existing Medicaid co-pays and other related costs beginning in FY 2017 in exchange for expanded services. Certain privately-owned hospitals would pay a new inpatient hospital assessment, generating one-time revenues of \$4,692,000 in FY 2017 and ongoing revenues of \$9,384,000 beginning in FY 2018. The University of Utah teaching hospital would pay \$2,040,000 one-time in FY 2017 and \$4,080,000 ongoing beginning in FY 2018.

Performance Note

JR4-2-404

Required of the Health and due by February 29, 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.