



Fiscal Note
H.B. 325 2nd Sub. (Gray)
2018 General Session
Primary Care Network Amendments
by Eliason, S. (Eliason, Steve.)



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(7,600,000)	\$1,700,000	\$(5,900,000)

This bill could reduce the year end transfer to the General Fund from the Liquor Control Fund by \$7.1 million in FY 2019, \$7.1 million in FY 2020, and eventually by \$10.0 million ongoing. Enactment of this legislation may generate revenue of \$7.1 million in FY 2019, \$7.1 million in FY 2020, and eventually by \$10.0 million ongoing to the Medicaid Expansion Fund from revenue from the sale of liquor. Further, the Department of Health may receive dedicated credits from counties of \$2.7 million in FY 2019 and \$6.6 million in FY 2020. Enactment of this bill could increase federal funds receipts by the following amounts: \$75,000 in FY 2018, \$6.2 million in FY 2019, \$17.1 million in FY 2020, and \$38.3 million in FY 2023. If cigarette and tobacco tax revenue increases over the amount collected in fiscal year 2018, then all increases would be transferred into the Medicaid Expansion Fund.

Revenues	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>
General Fund	\$0	\$(10,000,000)	\$(10,000,000)
General Fund, One-Time	\$0	\$2,950,000	\$2,950,000
Federal Funds	\$0	\$38,323,500	\$38,323,500
Federal Funds, One-Time	\$75,000	\$(32,141,500)	\$(21,200,000)
Dedicated Credits	\$0	\$2,700,000	\$6,600,000
New Account Created By Legislation	\$0	\$7,050,000	\$7,050,000
Total Revenues	\$75,000	\$8,882,000	\$23,723,500

This bill may increase net total costs to the State by \$125,000 in FY 2018, \$8.3 million in FY 2019, and \$23.1 million in FY 2020 by providing additional medical benefits for 16,000 clients and replacing full Medicaid coverage for 10,200 individuals with limited medical benefits. These net costs include reductions to General Fund of \$1.2 million one-time in FY 2019 and \$2.4 million ongoing beginning in FY 2020 attributable to more outpatient behavioral health care, outpatient substance abuse care, and inmate inpatient hospital services paid for by Medicaid. By FY 2023, the total net cost increase could be around \$55 million. The Medicaid Expansion Fund, and match money from counties may cover all additional state costs.

Expenditures	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>
General Fund	\$0	\$(2,400,000)	\$(2,400,000)
General Fund, One-Time	\$50,000	\$1,200,000	\$0
Federal Funds	\$0	\$38,323,500	\$38,323,500
Federal Funds, One-Time	\$75,000	\$(32,141,500)	\$(21,200,000)
Dedicated Credits	\$0	\$2,802,000	\$6,819,000
Medicaid Expansion Fund	\$0	\$511,000	\$1,562,000
Total Expenditures	\$125,000	\$8,295,000	\$23,104,500

Net All Funds	\$(50,000)	\$587,000	\$619,000
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Local Government

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

Newly eligible outpatient behavioral health care and outpatient substance abuse care will require a match from the counties, but some services will be replaced with Medicaid coverage which generates ongoing savings. Overall the projected impact to counties is a net increase in costs of \$2.5 million in FY 2019 to \$7.8 million in FY 2023. 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)

Up to 16,000 recipients could begin paying existing Medicaid co-pays and other related costs beginning in 2019 in exchange for expanded services. Approximately 10,200 recipients beginning in 2019 will lose full Medicaid coverage in exchange for limited medical benefits.

Regulatory Impact

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

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

Performance Note

JR4-2-404

Required of the Health and due by February 23, 2018

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.