

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Health and Human Services

Health Policy Commission

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1.0 Health Policy Commission

Summary

The 1994 Legislature passed House Bill 226, which established the Health Policy Commission for the State. The mission of the Commission is to "provide a mechanism through which every Utahn will have access to affordable health insurance in an environment that relies primarily on a market-oriented system that contains cost and enhances quality." (UCA 63C-3)

	Analyst FY 2001 Base	Analyst FY 2001 Changes	Analyst FY 2001 Total
Financing			
General Fund	\$333,100		\$333,100
Dedicated Credits Revenue	400		\$400
Transfers	99,800		\$99,800
Total	\$433,300	\$0	\$433,300
Programs			
Health Policy Commission	\$433,300		\$433,300
Total	\$433,300	\$0	\$433,300
FTE	4.0		4.0

2.0 Issues: Health Policy Commission

2.1 Intent Language for FY 2000

The Legislature approved the following intent language for the Health Policy Commission for FY 2000:

It is the intent of the Legislature that the authority of the Health Policy Commission be extended to the statutory repeal date of July 1, 2001 as long as the Commission continues to implement the following principles, as established in HealthPrint:

Individuals should be responsible for their own health coverage.

Choice of providers should be decided by cost-conscious consumers.

Problems in the current market should be fixed by enhancing competition rather than setting up a government-run system.

Health system reform should not require new taxes.

Effective health system reform is a long-term, ongoing process.

The Commission reports that, “Every effort is made to adhere to legislative intent language which is drawn verbatim from HealthPrint”. The Commission cites several examples of its activities in line with the purposes mentioned in the intent language.

3.1 Health Policy Commission

Recommendation The Analyst recommends a continuation budget for the Health Policy Commission for FY 2001.

In the past, the Commission has established contracts with the Medicaid program to provide certain services dealing with Medicaid expansion and eligibility, for which the Medicaid program pays through a Revenue Transfer.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$323,500	\$333,100	\$333,100	
General Fund, One-time		1,000		(1,000)
Dedicated Credits Revenue			400	400
Transfers	206,938	100,000	99,800	(200)
Total	\$530,438	\$434,100	\$433,300	(\$800)
Expenditures				
Personal Services	\$298,831	\$246,008	\$243,400	(\$2,608)
In-State Travel	6,048	6,200	6,200	
Out of State Travel	2,150	2,400	2,400	
Current Expense	190,438	146,992	145,800	(1,192)
DP Current Expense	32,971	32,500	35,500	3,000
Total	\$530,438	\$434,100	\$433,300	(\$800)
FTE	5.0	4.0	4.0	

Purpose

The Health Policy Commission serves as a focal point for discussion and debate, around issues affecting the costs, access, and quality of health care. Each year, the commission has studied various issues and made recommendations for legislation, administrative changes, and informal resolution of health care policy issues. The 13 member commission enlists health care providers, insurers, consumers, legislators, and other interested parties who make up work groups and technical advisory groups (TAGs). The annual agenda of the commission is derived from HealthPrint, public hearing input, legislative requests, and issues identified by the commission.

During 1999, the Commission addressed a number of issues, including:

Graduate Medical Education (GME) – Continued to support the work of the Medical Education Council (MEC) including carrying out and analyzing survey to assess the capacity of the health care workforce in Utah. Approval is expected shortly for a demonstration project from the federal Health Care Financing Administration (HCFA) which will enable the MEC to move ahead with recommendations.

Health Care Consumers – Actively participated in the establishment of the Office of Consumer Health Assistance, developed three patient protection measures for consideration by the legislature, developed an insurance segment to be included in the public school curriculum and continued to explore other ways for consumers to play a more active role in their health care.

Long-Term Care – Completed a comprehensive long-term plan that will provide guidance for decision makers around long-term care issues, including capacity requirements, appropriate placements, individual choice, beliefs about financing, and other factors.

Rural Health – Monitored rural areas and facilitated resolutions to conflict to ensure continued access.

Telehealth – Addressed various issues relating to the development of the telehealth capacity in the State, including the expansion of the infrastructure, the establishment of a coordination mechanism and the resolution of legal and technical issues.

Health Insurance Pool Eligibility Criteria – Reviewed the eligibility for the Health Insurance Pool to ensure the appropriate individuals were enrolled in the pool and others were directed to the commercial market.

Small Business – Responded to a legislative request to review Medical Savings Accounts usage and develop recommendation to improve their attractiveness. Continued review and support of purchasing alliances.

Pharmaceutical Formularies – Responded to a legislative request to examine access problems created through use of formularies.

Ethnic Health – Established a technical advisory group to address cultural competency in the health care industry and to determine if pooling offered a viable pathway to insurance coverage for ethnic populations.

Public Hearings – Hosted ten public hearings throughout the state to solicit input on health care issues.

Forums and Public Participation – Facilitated meetings of technical advisory groups focused on various topics in open, grass-root oriented forums involving numerous individuals representing all parts of the health care industry and the community who contributed thousands of hours of time and expertise to the study and development of health care policy.

4.0 Additional Information: Health Policy Commission

4.1 Funding History

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	\$224,900	\$270,100	\$323,500	\$333,100	\$333,100
General Fund, One-time				1,000	
Dedicated Credits Revenue					400
Transfers	54,470	129,517	206,938	100,000	99,800
Total	\$279,370	\$399,617	\$530,438	\$434,100	\$433,300
% Change		43.0%	32.7%	-18.2%	-0.2%
Programs					
Health Policy Commission	\$279,370	\$399,617	\$530,438	\$434,100	\$433,300
Total	\$279,370	\$399,617	\$530,438	\$434,100	\$433,300
Expenditures					
Personal Services	\$185,984	\$254,826	\$298,831	\$246,008	\$243,400
In-State Travel	9,394	8,495	6,048	6,200	6,200
Out of State Travel	2,807	9,012	2,150	2,400	2,400
Current Expense	76,130	113,664	190,438	146,992	145,800
DP Current Expense	5,055	13,620	32,971	32,500	35,500
Total	\$279,370	\$399,617	\$530,438	\$434,100	\$433,300
FTE	3.5	4.0	5.0	4.0	4.0