

Office of the  
Legislative Fiscal Analyst

## **FY 2003 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

**Department of Health**

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## 1.0 Department of Health - Summary

The Health and Human Services Joint Appropriations Subcommittee reviews the budgets for the Department of Health and the Department of Human Services, then approves a budget for each. These recommendations are then presented to the Executive Appropriations Committee for final approval. This section of the report deals with the Department of Health.

In preparing for this legislative session, the Analyst has reviewed each budget, visited with the agencies, and analyzed the agency requests and the Governor's recommendations.

During the last General Session, the Legislature approved budgets based on revenue projections at that time. After those budgets were approved, the general economy in the State and the nation began softening. Following the terrorist attacks in September, the economy worsened, and eventually, economists determined that conditions in the economy met the technical definitions of a recession. This resulted from a significant number of job losses and a sharp decrease in consumer confidence. Government is not immune from a softening of the economy. Tax revenues have dropped considerably since the early part of the year, necessitating reductions in the budget approved for FY 2002 (see FY 2002 Supplemental section), as well as the budget for FY 2003. Even though there is some positive economic growth, it is less than the significant decrease experienced in the first half of FY 2002. Budgets for state agencies have been reduced for FY 2002, reducing the base going into FY 2003. Most of the FY 2003 General Fund budgets will be lower than the FY 2002 original appropriations.

### **Executive Appropriations Committee Action**

On December 19, 2001, the Executive Appropriations Committee met and approved revised revenue estimates for both FY 2002 and FY 2003. In addition, the Committee approved revised subcommittee allocations for FY 2002. These revised allocations necessitated the reduction of current year budgets. On January 23, 2002, the Executive Appropriations Committee approved Subcommittee allocations for FY 2003. For the Department of Health, the General Fund allocation was \$218,109,400. Potential funding increases will be identified by the Analyst, but are not included in the funding.

For FY 2002, the Legislature appropriated \$1,114,461,500 for the Department of Health. Of this amount, \$230,384,800 was from the General Fund (\$1,235,000 one-time). The largest other single source was Federal funds, with smaller amounts coming from dedicated credits, restricted accounts, and revenue transfers.

**Analyst's Recommendation**

For FY 2003, the Analyst recommends a total budget of \$1,131,544,500 to the subcommittee. The Analyst's recommendation includes the General Fund allocation of \$218,109,400. This represents a decrease of 0.8 percent compared to the revised FY 2002 appropriated General Fund (after the supplemental reductions). The Analyst has maintained salary levels at the FY 2002 levels, leaving any salary consideration to the discretion of the Legislature.

The recommendations, by fund and agency, are found on the following pages. Further details on each budget are found under each tab and will be discussed during the budget hearings.

The Health Department's mission is to protect the public's health through preventing avoidable illness, injury, disability, and premature death; assuring access to affordable, quality health care; and promoting healthy lifestyles.

	<b>Analyst FY 2003 Base</b>	<b>Analyst FY 2003 Changes</b>	<b>Analyst FY 2003 Total</b>
<b>Financing</b>			
General Fund	223,633,300	(5,523,900)	218,109,400
Federal Funds	755,393,900	(6,881,800)	748,512,100
Dedicated Credits Revenue	67,718,000		67,718,000
GFR - Cigarette Tax Rest	250,000		250,000
GFR - Kurt Oscarson Trans	100,000		100,000
GFR - Medicaid Restricted	2,601,600	(2,601,600)	
GFR - State Lab Drug Testing Account	268,000		268,000
GFR - Tobacco Settlement	11,555,300		11,555,300
Transfers	82,485,700	2,100,000	84,585,700
Beginning Nonlapsing	1,903,800		1,903,800
Closing Nonlapsing	(1,457,800)		(1,457,800)
<b>Total</b>	<b>\$1,144,451,800</b>	<b>(\$12,907,300)</b>	<b>\$1,131,544,500</b>
<b>Programs</b>			
Executive Director's Operations	11,269,200	400,000	11,669,200
Health Systems Improvement	12,029,000	(238,400)	11,790,600
Physician & Physician Assistants Grant &	373,900	(102,900)	271,000
Nurse Education Financial Assistance Prc	193,600	(75,600)	118,000
Special Population Health Care Provider	96,500	(20,100)	76,400
Epidemiology & Lab Services	14,886,100	(73,200)	14,812,900
Community & Family Health	86,667,400	(500,200)	86,167,200
Health Care Financing	66,997,400	(47,000)	66,950,400
Medical Assistance	922,608,400	(12,249,900)	910,358,500
Children's Health Ins Prog	27,244,600		27,244,600
Local Health Departments	2,085,700		2,085,700
<b>Total</b>	<b>\$1,144,451,800</b>	<b>(\$12,907,300)</b>	<b>\$1,131,544,500</b>
<b>FTE/Other</b>			
Total FTE	1,211.05	(9.15)	1,201.90

## 2.0 Issues: Department of Health

The following summarizes the budgetary changes for the total Department, by category as well as items which the Legislature may wish to address for additional funding. Also included are other items of importance, such as intent language, reports, or other information.

To arrive at the *Analyst FY 2003 Base*, the starting point was the FY 2002 original on-going General Fund appropriation of \$229,149,800. The FY 2002 Supplementals reduced the General Fund by \$10,204,800, of which \$6,013,500 were ongoing reductions. The resulting amount of \$223,136,300 plus the following items produce the *Analyst FY 2003 Base* of \$223,633,300:

- Payroll cost of an extra day in FY 2003 - \$94,400 (see 2.01);
- Transfers of Market Comparability Adjustments - \$172,700 (see 2.02); and,
- Net changes for Internal Service Fund rates - \$229,900 (see 2.03).

The FY 2003 changes are discussed below and reflect the incremental costs of across the board reductions and annualization of partial budget cuts approved for FY 2002, together with several additional budget reductions, totaling a further reduction from the *Analyst FY 2003 Base* of \$5,523,900 to arrive at the *Analyst FY 2003 Total* of \$218,109,400.

### 2.01 FY 2003 Extra Day

Most fiscal years have 260 working days or 2,080 hours. However, FY 2003 has one extra day, which requires additional funds for personal services costs associated with one additional day. For the Department of Health, the costs associated with one additional day are estimated at \$229,800, of which \$94,400 comes from the General Fund, with other revenue sources covering the balance of the costs.

<b>General Fund</b>	<b>\$94,400</b>
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### 2.02 FY 2002 Market Comparability Adjustments (MCAs)

During the 2001 Session, the Legislature approved certain Market Comparability Adjustments for employees in positions that were funded significantly below the level that market surveys indicated were average. The Legislature provided funding to increase the compensation of these employees. The entire amount was appropriated to the Department of Human Resource Management, which in turn, allocated the funding to the agencies that were affected. In order to correctly distribute these funds for FY 2003, they need to be transferred to the applicable agencies. This is not new funding, but allocating funding approved last year. For the Department of Health, these increases total \$173,100, of which \$172,700 is General Fund.

<b>General Fund</b>	<b>\$172,700</b>
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### **2.03 Statewide Internal Service Fund Rate Changes**

As a result of rate changes for services provided by the Department of Administrative Services, the Analyst recommends an increase of \$304,800; \$229,900 of which is from the General Fund. The specific line item funding varies between programs within the Department.

<b>General Fund</b>	<b>\$229,900</b>
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The following items are things that the Subcommittee did not review during the hearings dealing with the FY 2002 Supplemental reductions or that were subsequently reinstated for FY 2002. The reductions listed are amounts in addition to the FY 2002 ongoing reductions.

#### 2.04 Transfers

Last year, the Legislature appropriated funds to the Department of Administrative Services for 800 MHz expenses that were then distributed to various agencies. The Department of Health (Medical Examiner) received \$1,200 of the total. Similar to the MCAs, this is not new funding, but allocating funding approved last year. In addition, there are two internal transfers between Department of Health line items. These net out to zero, but will be identified in the programs which are affected.

<b>General Fund</b>	<b>\$1,200</b>
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#### 2.05 Original Governor's Holdbacks

Early in FY 2002, the Governor identified \$3,093,200 in General Fund reductions, \$2,293,200 of which are ongoing reductions to carry to FY 2003. However, some of these reductions were reinstated by the Executive Appropriations Committee for FY 2002, so that only \$1,994,000 in reductions were actually approved. The additional amount to get to the \$2,293,200 total is \$299,200.

<b>General Fund</b>	<b>(\$299,200)</b>
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#### 2.06 Across-the-Board Reductions

The Analyst has included 10 percent across the board decreases in the General Fund in the following expense categories: Conventions / Workshops, Data Processing, Entertainment / Receptions, Office supplies / Equipment, and Travel. In addition, further Current Expense items were identified for additional reductions. For the Department of Health, these General Fund reductions total \$78,900. The specific line item funding varies between programs within the Department.

<b>General Fund</b>	<b>(\$78,900)</b>
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### **2.07 Program Reductions**

The Analyst has identified several programs that, while worthy and useful, could be eliminated or downsized, with less of an impact on the operations of the Department. The Analyst has identified contracts with Public Health Data, a small portion of the Primary Care Grants, the three grant/scholarship programs, and Health Care Financing contracts as programs which could be reduced with the least impact on the Department's ability to achieve its mission. The FY 2003 General Fund associated with these programs is \$156,000.

**General Fund** **(\$156,000)**

### **2.08 Other FTE Position Eliminations**

The Analyst has identified several programs which have funded vacancies, or where positions may be considered less essential to the Department's operations. These reductions affect several programs and include approximately 9 FTE positions. The total estimated General Fund savings would be \$299,000.

**General Fund** **(\$299,000)**

### **2.09 Medical Assistance Reductions**

Medicaid and the Division of Health Care Financing make up over 87 percent of the Department's General Fund budget. It would be impossible to take the Department's necessary reductions from the remaining 13 percent. The Analyst has identified several areas which could be changed to achieve savings in the Medicaid program. These changes include limiting the number of prescriptions dispensed on a monthly basis, decreasing the reimbursement rates for prescriptions, implementing a copay for some services, eliminating Chiropractic services and other optional Medicaid services. The total for Medicaid reductions and adjustments is \$4,692,000.

**General Fund** **(\$4,692,000)**

## 2.10 Potential Revenue Enhancements

The Analyst has identified an additional \$2.1 million potential revenue offset to proposed reductions from accessing a newly-available increase in disproportionate share (DSH) payments by contracting with the University of Utah Hospital. Currently, the University of Utah Hospital provides a significant amount of “uncompensated” care. The Federal government allows a higher Medicaid reimbursement rate for those institutions that provide a “disproportionate share” of uncompensated care. The University of Utah Hospital would transfer \$3.5 million to the Department of Health, which would use \$2.1 million to offset the reductions, then with the remaining \$1.4 million, draw down \$3.4 million in Federal funds, totaling \$4.8 million that would be paid back to the University Hospital in the form of higher reimbursement rates for Medicaid services. Utilizing this funding mechanism frees up that much in General Fund to go toward the overall shortfall and allows the Medicaid program to operate at a level which would otherwise be much lower. It also increases the reimbursement to the University of Utah Hospital.

**Transfers**

**\$2,100,000**

## 2.11 Detailed Budget Intent Language

The 2001 Legislature approved the following intent language to be implemented by the Department:

*It is the intent of the Legislature that at least one of the Division budgets of the Department of Health and the Department of Human Services be presented in extensive detail at the time of presentation at the annual budget hearing. The division which is to be examined with this scrutiny is to be selected by the co-chairs of the Health and Human Services Appropriations Subcommittee by July of the preceding year.*

The co-chairs of the Subcommittee approved looking in detail at the contract budgets for the local health departments. In that section of this report, the detailed budgets will be examined.

## 2.12 Outcome Measures Intent Language

The 2001 Legislature approved the following intent language to be implemented by this division:

*It is the intent of the Legislature that the Department of Health present to the Legislative Fiscal Analyst's Office, with its annual budget submission, detailed outcome measures for each budget area in each division within the department. These outcome measures shall be, whenever possible, reported in terms of outcomes achieved with the population served in addition to the report of total numbers served. The report shall include those who are statistically eligible, but did not need or accept state funded services. The Legislative Fiscal Analyst's Office shall include the department's report including measurements within its budget presentation on an item by item basis.*

The Department completed the required information and supplied the Analyst's Office with a copy of the report. A copy will also be provided to the members of the Subcommittee. The Department's response may be placed behind the "DOH Outcome Measurements" tab in this book.

The information contained in the Outcome Measurements has given valuable information to the Analyst, the Legislature, and the Department. The information reports on how effective the Health Department programs are, as well as the status of the health care industry in the State compared to the United States. The Analyst recommends that the intent language be retained and the information be updated annually.

### **2.13 Administrative Cost Intent Language**

The 2001 Legislature approved the following intent language to be implemented by this division:

*It is the intent of the Legislature that the budget analysis for the Department of Health be presented with a breakdown between costs of administration and services delivered and the number of citizens served and categorized by cost and type of service.*

Last year, similar intent language requested an administrative/service cost distribution. The intent language implies that any cost is either administrative or direct service. One of the issues that proved difficult and generated some disagreement between the Department and the Analyst was the determination of which costs were administrative and which costs were for services. Some of the costs were classified by the Department as "service", but appeared to the Analyst more as "administrative".

The Department has taken a slightly different approach to this intent language when compared to last year. The Department looked at its various functions and determined that some costs clearly are administrative and others are clearly services. However, the Department determined that there are significant costs in a gray area in between. These functions are not administrative, nor do they provide a direct service to an individual citizen of the State, but provide a service to the citizenry in general of the State. As a result, the Department looked at three areas in which to allocate costs.

In addition to administrative costs and services involving direct contact with citizens, there are costs for “services involving indirect contact with citizens”. The Department lists examples of this area as contact with health plans and providers, health promotion, laboratory services, public information, data collection and analysis for measuring health problems and impacts, training for emergency medical technicians and local health departments, and licensing of day cares and hospitals. Given this approach, the Department reports that overall, six percent of its budget is administrative in nature, 17 percent is for indirect services to citizens, and 77 percent is direct-service oriented. The heavy emphasis on direct services is in large part due to the Medicaid program, which is almost 100 percent services and is the largest portion on the Department’s budget. Removing Medicaid and Health Care Financing, the figures appear at seven percent administrative, 22 percent as indirect services, and 71 percent direct services. In each budget, the breakout will be provided for the Subcommittee.

In addition, the information dealing with the “number of citizens served and categorized by cost and type of service” will be discussed in each specific budget.

<b>DEPARTMENT OF HEALTH</b>				
<b>ADMINISTRATIVE and SERVICE COSTS</b>				
<b>FY 2001 Authorized Costs</b>				
	<b>Admin- istration</b>	<b>Indirect Services</b>	<b>Direct Services</b>	<b>Total</b>
Executive Director	5,202,683	2,449,699	1,787,917	9,440,299
	55.1%	25.9%	18.9%	
Veterans' Nursing Home			1,491,280	1,491,280
	0.0%	0.0%	100.0%	
Health Systems Improvement	1,158,564	9,341,347	868,679	11,368,590
	10.2%	82.2%	7.6%	
Grant/Scholarship Programs	0	600,283	0	600,283
	0.0%	100.0%	0.0%	
Epidemiology and Laboratory Services	1,462,015	5,682,457	6,746,478	13,890,950
	10.5%	40.9%	48.6%	
Community and Family Health	1,824,808	16,006,140	69,549,253	87,380,201
	2.1%	18.3%	79.6%	
Health Care Financing	52,063,498	0	11,293,103	63,356,601
	82.2%	0.0%	17.8%	
Medical Assistance	110,639	150,726,600	721,204,077	872,041,316
	0.0%	17.3%	82.7%	
Childrens Health Insurance Program	611,851	0	23,014,905	23,626,756
	2.6%	0.0%	97.4%	
Local Health Departments	496,518	0	3,810,268	4,306,786
	11.5%	0.0%	88.5%	
<b>Total</b>	<b>62,930,576</b>	<b>184,806,526</b>	<b>839,765,960</b>	<b>1,087,503,062</b>
	<b>5.8%</b>	<b>17.0%</b>	<b>77.2%</b>	

Source: Department of Health

## 4.0 Additional Information: Department of Health

### 4.1 Funding History

	1999	2000	2001	2002	2003
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
General Fund	174,081,500	183,089,900	193,861,600	229,149,800	218,109,400
General Fund, One-time		183,800	866,300	(9,079,800)	
Federal Funds	616,661,003	660,577,580	711,888,902	762,274,285	748,512,100
Dedicated Credits Revenue	73,655,910	58,556,804	66,450,520	69,604,000	67,718,000
Federal Mineral Lease	600,000	600,000			
GFR - Cigarette Tax Rest	250,000	250,000	250,000	250,000	250,000
GFR - Hosp Provider Assess	5,500,000	5,500,000			
GFR - Kurt Oscarson Trans	100,000	100,000	100,000	100,000	100,000
GFR - Medicaid Restricted	3,439,000	5,400,200	9,141,000	3,217,200	
GFR - Nursing Facility	4,276,700	4,244,800	6,022,400		
GFR - State Lab Drug Testing Account	150,000	150,000	149,400	267,400	268,000
GFR - Tobacco Settlement			9,498,900	11,549,100	11,555,300
Transfers	43,945,473	68,309,773	90,494,456	80,036,000	84,585,700
Beginning Nonlapsing	3,149,400	3,900,639	3,542,183	8,062,500	1,903,800
Closing Nonlapsing	(3,900,639)	(3,542,186)	(8,062,581)	(1,933,200)	(1,457,800)
Lapsing Balance	(2,463,071)	(1,324,964)	(628,995)		
<b>Total</b>	<b>\$919,445,276</b>	<b>\$985,996,346</b>	<b>\$1,083,574,085</b>	<b>\$1,153,497,285</b>	<b>\$1,131,544,500</b>
<b>Programs</b>					
Executive Director's Operations	11,548,883	12,216,274	12,151,209	10,859,900	11,669,200
Veterans' Nursing Home	1,864,876	1,427,954	1,491,280	3,244,100	
Health Systems Improvement	9,158,511	10,548,444	11,233,488	13,190,000	11,790,600
Physician & Physician Assistants Grant &	227,228	197,090	231,815	402,600	271,000
Nurse Education Financial Assistance Prc	237,654	194,664	213,248	281,600	118,000
Special Population Health Care Provider	22,083	82,602	155,220	139,500	76,400
Epidemiology & Lab Services	10,689,928	11,679,219	13,890,950	15,426,200	14,812,900
Community & Family Health	72,598,762	74,123,685	80,816,137	89,001,700	86,167,200
Health Care Financing	50,255,653	54,291,792	67,722,683	70,804,000	66,950,400
Medical Assistance	755,417,063	805,145,035	872,041,299	922,263,085	910,358,500
Children's Health Ins Prog	6,894,197	15,651,947	23,626,756	25,798,900	27,244,600
Health Policy Commission	530,438	437,640			
Local Health Departments				2,085,700	2,085,700
<b>Total</b>	<b>\$919,445,276</b>	<b>\$985,996,346</b>	<b>\$1,083,574,085</b>	<b>\$1,153,497,285</b>	<b>\$1,131,544,500</b>
<b>Expenditures</b>					
Personal Services	51,374,986	56,684,819	60,566,487	64,883,886	64,496,100
In-State Travel	515,066	552,055	565,192	664,100	650,400
Out of State Travel	386,594	483,208	435,684	575,800	569,600
Current Expense	21,300,319	30,252,160	38,023,547	45,764,042	39,396,200
DP Current Expense	5,030,701	5,370,750	6,178,544	5,371,572	4,996,200
DP Capital Outlay	90,769	365,916	184,335	(20,000)	1,600
Capital Outlay	283,301	339,319	231,111	490,300	
Other Charges/Pass Thru	840,463,540	891,948,119	977,389,185	1,035,767,585	1,021,434,400
<b>Total</b>	<b>\$919,445,276</b>	<b>\$985,996,346</b>	<b>\$1,083,574,085</b>	<b>\$1,153,497,285</b>	<b>\$1,131,544,500</b>
<b>FTE/Other</b>					
Total FTE	1,170.15	1,148.71	1,233.46	1,233.17	1,201.90

## 4.1 Budgeting Information

Budgeting includes the allocation of resources (money) to various programs in State government.

The annual state budgetary process begins in May or June for the fiscal year that will begin 14 months later, with each department of state government determining which items to include in its annual budget request to the Governor. Those requests are submitted in September to the Governor's Office of Planning and Budget (GOPB), which analyzes the requests and results in a recommendation from the Governor to the Legislature. The Office of the Legislative Fiscal Analyst, a non-partisan office that serves both houses of the Legislature in preparing a budget and determining the fiscal impact of proposed legislation, analyzes the Governor's recommendation, then makes independent budgetary recommendations to the Legislature. The Legislature, after reviewing the recommendations, then approves a budget by passing an Appropriation Act, which establishes the spending levels for each program.

The Governor's recommendations may include revenue enhancements, such as tax or fee increases. The Analyst's recommendations are based on revenue estimates approved by, and funding allocated by, the Executive Appropriations Committee. Those revenue estimates do not include the effect of any anticipated legislation. Both the Analyst and the Governor must submit budgets which do not exceed anticipated revenue, but each budget may have its own revenue estimates, and so may have different totals.

The State does not budget on the calendar year, but uses what is termed a Fiscal Year, which is the 12-month period from July 1 to June 30 of the following year. A fiscal year is usually abbreviated FY, with the number which follows designating the year which includes the last six months. The current fiscal year is FY 02, which will end June 30, 2002. The fiscal year for which the Legislature is determining the budget is FY 2003 or FY 03, which will include the period of time from July 1, 2002 through June 30, 2003.

In allocating funds, the Appropriations Subcommittee may use funding from several sources to complete the full appropriation to each. The following sources of funding are available:

- General Fund
- Federal Funds
- Dedicated Credits
- Restricted General Funds
- Revenue Transfers

The following explanations are offered to assist in the understanding of the various funding sources:

**General Fund**

This is the State's most important source of income. The primary revenue source is the sales tax, although there are other taxes and fees which are deposited into this fund. General Funds may be spent at the discretion of the Legislature, as allowed by the Constitution. (Personal income taxes and corporate franchise taxes are not deposited into the General Fund, but into the Uniform School Fund).

**Federal Funds**

Federal Funds are those funds which come to the State from the Federal government. Generally, federal funds are accompanied by certain requirements. Each grant may have different rules about how the funds may be spent. A common requirement is that which requires some form of state match in order to receive the federal dollars. In such cases, federal funding may be reduced if a state program is reduced. There is also the possibility, that due to outside circumstances, federal funding may be reduced or eliminated. If this happens, most agencies then request state funds to replace the lost federal funds. However, this is generally not recommended. Programs which receive federal funds will have a separate Federal Funds sheet (Section 4.1) which details the federal grant, by program within the line item.

**Dedicated Credits**

Dedicated Credits are funds which are paid to an agency for specific services and are dedicated to paying for the expense of providing that service. For example, money paid to the State Health Laboratory for the tests and analysis it performs is used to cover the costs of running those tests. By law, these funds must be spent before other appropriated state funds are spent. It should be noted that an agency must estimate the level of its services for the following fiscal year, and thus its level of dedicated credits.

**Restricted General Funds**

Restricted revenue can only be used for designated purposes. The restricted funds usually receive money from specific sources, with the understanding that those funds will then be used for specific purposes. Within the Department of Health, for example, such restricted funds are used to collect additional funds that are then utilized to match and draw down additional federal funds in the Medical Assistance program.

**Revenue Transfers**

Occasionally, one agency may contract with another agency to provide funding for specific services.



### **Lapsing Funds**

Funds lapse, or revert back to the State, if the full appropriation is not spent by the end of the fiscal year. Since it is against the law to spend more than the Legislature has appropriated for each line item, all programs will generally either spend all the money or have some left unspent. The unspent funds lapse back to the State, unless specifically exempted. Those exceptions include funds that are set up as non-lapsing. In these cases, unspent funds do not lapse back to the State, but remain with the agency in a special non-lapsing balance, for use in the next fiscal year. In the budgets, the Beginning Non-Lapsing balance is the balance on July 1 of the fiscal year, while the balance on the next June 30 is termed the Closing Non-Lapsing balance. The Closing Non-Lapsing balance from one fiscal year becomes the Beginning Non-Lapsing balance for the following fiscal year. The reason behind non-lapsing funds is that a specific task may take an indeterminate amount of time, or span more than one fiscal year.

Other budgeting terms and concepts which the Legislature will encounter include the following:

### **Intent Language**

Intent Language may be added to an appropriation bill to explain or put conditions on the use of the funds in the line item. Intent language may restrict usage, require reporting, or impose other conditions within the item of appropriation.

### **Supplemental Appropriation**

The current legislative session is determining appropriations for the upcoming fiscal year (FY 2003). However, it may be determined that unexpected circumstances have arisen since the past session which require additional funding for the current year. The Appropriations Subcommittee can recommend to the Executive Appropriations Committee that a supplemental appropriation be made for the current year (FY 02).

### **FTE**

FTE is an abbreviation for Full-Time Equivalent. This is a method of standardizing personnel counts. A full-time equivalent is equal to one employee working 40 hours per week. Ten employees each working four hours per week would also count as one FTE.

**Line Item**

This is a term which applies to an appropriation bill. Each appropriated sum is identified by an item number in the appropriations bill. Generally, each line item appropriation goes to an agency that may have several programs. Once the appropriation becomes law, the money may be moved from program to program within the line item, but cannot be moved to another line item of appropriation. A listing of the line items and the programs within those line items that comprise the Department of Health and for which the Subcommittee is responsible follows:

**Executive Director's Office**

Executive Director  
Program Operations  
Medical Examiner  
Center for Health Data

**Health Systems Improvement**

Director's Office  
Emergency Medical Services  
Licensing  
Program Certification and Resident Assessment  
Primary Care, Rural, and Ethnic Health

**Physicians and Physician Assistants Grant and Scholarship Program**

Physicians and Physician Assistants Grant and Scholarship Program

**Nurse Education Financial Assistance Program**

Nurse Education Financial Assistance Program

**Special Population Health Care Provider Financial Assistance Program**

Special Population Health Care Provider Financial Assistance Program

**Epidemiology and Laboratory Services**

Director's Office  
Environmental Testing and Toxicology  
Laboratory Improvement  
Microbiology  
Communicable Disease Control  
Food Safety and Environmental Health  
Epidemiology

**Community and Family Health Services**

Director's Office  
Health Promotion  
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**Health Care Financing**

Director's Office

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Children's Health Insurance Program

**Local Health Departments**

Local Health Departments

### 4.3 Glossary of Health Terms and Acronyms

<b>Access</b>	Often defined as the potential and actual entry of a population into the healthcare system and by features such as private or public insurance coverage. The probability of entry is also dependent upon the wants, resources, and needs that patients may bring to the care-seeking process. Actual entry into the system is described by utilization rates and subjective evaluations of care. Ability to obtain wanted or needed services may also be influenced by the distance one has to travel, waiting time, total income, and whether one has a regular source of care.
<b>Actual Charge</b>	One of the factors determining a physician's payment for a service under Medicare; equivalent to the billed or submitted charge.
<b>Acute Care</b>	Medical treatment rendered to individuals whose illnesses or health problems are of short-term or episodic nature. Acute care facilities are those hospitals that mainly serve persons with short-term health problems.
<b>Acute Disease</b>	A disease which is characterized by a single episode of a relatively short duration from which the patient returns to his normal or previous state of level of activity. While acute diseases are frequently distinguished from chronic diseases, there is no standard definition or distinction. It is worth noting that an acute episode of a chronic disease (for example, an episode of diabetic coma in a patient with diabetes) is often treated as an acute disease.
<b>AFDC</b>	Aid To Families with Dependent Children. Replaced by federal welfare reform with Temporary Assistance to Needy Families (TANF).
<b>Allowable Costs</b>	Items or elements of an institution's costs which are reimbursable under a payment formula. Both Medicare and Medicaid reimburse hospitals on the basis of only certain costs. Allowable costs may exclude, for example, luxury accommodations, costs which are not reasonable expenditures, which are unnecessary, for the efficient delivery of health services to persons covered under the program in question, or depreciation on a capital expenditure which was disapproved by a health planning agency.
<b>Alternatives to Long-Term Institutional Care</b>	The whole range of health, nutritional, housing, and social services designed to keep persons out of institutions, such as skilled nursing facilities, which Institutional Care provide care on a long-term basis. The goal is to provide the range of services necessary to all to allow the person to continue to function in the home and community environment. Alternatives to long-term care usually focus on the aged, disabled, and retarded, and include: day care centers, foster homes, or homemaker services.
<b>Ambulatory Care</b>	All types of health services which are provided on an outpatient basis, in contrast to services provided in the home or to persons who are inpatients. While many inpatients may be ambulatory, the term ambulatory care usually implies that the patient must travel to a location to receive services which do not require an overnight stay. See also ambulatory setting and outpatient.

<b>Ambulatory Setting</b>	A type of institutional organized health setting in which health services are provided on an outpatient basis. Ambulatory care settings may be either mobile (when the facility is capable of being moved to different locations) or fixed (when the person seeking care must travel to a fixed service site).
<b>Ancillary Services</b>	Supplemental services, including laboratory, radiology, physical therapy, and inhalation therapy, that are provided in conjunction with medical or hospital care.
<b>Appropriateness</b>	Appropriate health care is care for which the expected health benefit exceeds the expected negative consequences by a wide enough margin to justify treatment.
<b>Area Health Education Center (AHEC)</b>	An organization or organized system of health and educational institutions whose purpose is to improve the supply, distribution, quality, use, and efficiency of health care personnel in specific medically underserved areas. An AHEC's objectives are to educate and train the health personnel specifically needed by the underserved areas and to decentralize health workforce education, thereby increasing supply and linking the health and educational institutions in scarcity areas.
<b>Capitation</b>	A method of payment for health services in which an individual or institutional provider is paid a fixed amount for each person served, without regard to the actual number or nature of services provided to each person in a set period of time. Capitation is the characteristic payment method in certain health maintenance organizations. It also refers to a method of Federal support of health professional schools. Under these authorizations, each eligible school receives a fixed payment, called a "capitation grant" from the Federal Government for each student enrolled.
<b>Carve Out</b>	Regarding health insurance, an arrangement whereby an employer eliminates coverage for a specific category of services (e.g., vision care, mental health/psychological services and prescription drugs) and contracts with a separate set of providers for those services according to a predetermined fee schedule or capitation arrangement. Carve out may also refer to a method of coordinating dual coverage for an individual.
<b>Case Management</b>	The monitoring and coordination of treatment rendered to patients with specific diagnosis or requiring high-cost or extensive services.
<b>Case-Mix</b>	A measure of the mix of cases being treated by a particular health care provider that is intended to reflect the patients' difference needs for resources. Case mix is generally established by estimating the relative frequency of various types of patients seen by the provider in question during a given time period and may be measured by factors such as diagnosis, severity of illness, utilization of services, and provider characteristics.

<b>Catastrophic Health Insurance</b>	Health insurance which provides protection against the high cost of treating severe or lengthy illnesses or disability. Generally such policies cover all, or a specified percentage of, medical expenses above an amount that is the responsibility of another insurance policy up to a maximum limit of liability.
<b>Catchment Area</b>	A geographic area defined and served by a health program or institution such as a hospital or community mental health center which is delineated on the basis of such factors as population distribution, natural geographic boundaries, and transportation accessibility. By definition, all residents of the area needing the services of the program are usually eligible for them, although eligibility may also depend on additional criteria.
<b>Centers for Disease Control and Prevention (CDC)</b>	The Centers for Disease Control and Prevention, based in Atlanta, Georgia, is the Federal agency charged with protecting the nations' public health by providing direction in the prevention and control of communicable and other diseases and responding to public health emergencies. CDC is the U.S. Public Health Service agency that led efforts to prevent such diseases as malaria, polio, smallpox, toxic shock syndrome, Legionnaire's disease and, more recently, acquired immunodeficiency syndrome (AIDS) and tuberculosis. CDC's responsibilities as the nation's prevention agency have expanded over the years and will continue to evolve as the agency addresses contemporary threats to health, such as injury, environmental and occupational hazards, behavioral risks, and chronic diseases.
<b>CHEC</b>	Child Health, Evaluation and Care program (see EPSDT)
<b>ChIP</b>	Child Injury Prevention program
<b>Chronic Care</b>	Care and treatment rendered to individuals whose health problems are of a long-term and continuing nature. Rehabilitation facilities, nursing homes, and mental hospitals may be considered chronic care facilities.
<b>Chronic Disease</b>	A disease which has one or more of the following characteristics: is permanent, leaves residual disability; is caused by nonreversible pathological alternation, requires special training of the patient for rehabilitation, or may be expected to require a long period of supervision, observation, or care.
<b>Clinic</b>	A facility, or part of one, devoted to diagnosis and treatment of outpatients. "Clinic" is irregularly defined. It may either include or exclude physicians' offices; may be limited to describing facilities which serve poor or public patients; and may be limited to facilities in which graduate or undergraduate medical education is done.
<b>COB</b>	Coordination of Benefits

<b>Coinsurance</b>	A cost-sharing requirement under a health insurance policy. It provides that the insured party will assume a portion or percentage of the costs of covered services. The health insurance policy provides that the insurer will reimburse a specified percentage of all, or certain specified, covered medical expenses in excess of any deductible amounts payable by the insured. The insured is then liable for the remainder of the costs until their maximum liability is reached.
<b>Community-Based Care</b>	The blend of health and social services provided to an individual or family in their place of residence for the purpose of promoting, maintaining, or restoring health or minimizing the effects of illness and disability.
<b>Community Health Center (CHC)</b>	An ambulatory health care program (defined under section 330 of the Public Health Center Health Service Act) usually serving a catchment area which has scarce or (CHC) nonexistent health services or a population with special health needs; sometimes known as "neighborhood health center." Community health centers attempt to coordinate Federal, State, and local resources in a single organization capable of delivering both health and related social services to a defined population. While such a center may not directly provide all types of health care, it usually takes responsibility to arrange all medical services needed by its patient population.
<b>Community Mental Health Center (CMHC)</b>	An entity which provides comprehensive mental health services (principally Mental Health ambulatory), primarily to individuals residing or employed in a defined Center (CMHC) catchment area.
<b>Community Rating</b>	A method of calculating health plan premiums using the average cost of actual or anticipated health services for all subscribers within a specific geographic area. The premium does not vary for difference groups or subgroups of subscribers on the basis of their specific claims experience.
<b>Continuing Medical Education (CME)</b>	Formal education obtained by a health professional after completing his or her degree and full-time postgraduate training. For physicians, some States require CME (usually 50 hours per year) for continued licensure, as do some specialty boards for certification.
<b>Cost Containment</b>	A set of steps to control or reduce inefficiencies in the consumption, allocation, or production of health care services which contribute to higher than necessary costs. Inefficiencies in consumption can occur when health services are inappropriately utilized; inefficiencies in allocation exist when health services could be delivered in less costly settings without loss of quality; and inefficiencies in production exist when the cost of health services could be reduced by using a different combination of resources.
<b>Cost-Shifting</b>	The situation that occurs when health care providers are not reimbursed or not fully reimbursed for providing health care so charges to those who pay must be increased. Typically results from providing health care to the medically indigent or the Medicare patients.
<b>Covered Services</b>	Health care services covered by an insurance plan.

<b>CTRPN</b>	Counseling, Testing, Referral and Partner Notification (HIV/AIDS)
<b>Customary Charge</b>	One of the factors that determines a physician's payment for a service under Medicare. Calculated as the physician's median charge for that service over a prior 12-month period.
<b>DCP</b>	Diabetes Control Program
<b>Developmental Disability (DD)</b>	A severe, chronic disability which is attributable to a mental or physical impairment or combination of mental and physical impairments; is manifested before the person attains age 22; is likely to continue indefinitely; results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity of independent living, or economic self-sufficiency; and reflects the person's needs for a combination and sequence of special, interdisciplinary, or generic care treatments of services which are of lifelong or extended duration and are individually planned and coordinated.
<b>Diagnosis Related Groups (DRGs)</b>	Group of diagnostic categories drawn from the International Classification of Diseases and modified by the presence of a surgical procedure, patient age, presence or absence of significant comorbidities or complications, and other relevant criteria. DRGs are the case-mix measure used in Medicare's prospective payment system.
<b>Disability</b>	Any limitation of physical, mental, or social activity of an individual as compared with other individuals of similar age, sex, and occupation. Frequently refers to limitation of a person's usual or major activities, most commonly vocational. There are varying types (functional, vocational, learning), degrees (partial, total), and durations (temporary, permanent) of disability. Public programs often provide benefits for specific disabilities, such as total and permanent.
<b>Disease</b>	May be defined as failure of the adaptive mechanisms of an organism to counteract adequately, normally, or appropriately to stimuli and stresses to which it is subjected, resulting in a disturbance in the function or structure of some part of the organism. This definition emphasizes that disease is multifactorial and may be prevented or treated by changing any or a combination of the factors. Disease is a very elusive and difficult concept to define, being largely socially defined. Thus, criminality and drug dependence are presently seen by some as diseases, when they were previously considered to be moral or legal problems.
<b>DHCF</b>	Division of Health Care Financing (Medical Assistance Administration)
<b>Drug Abuse</b>	Persistent or sporadic drug use inconsistent with or unrelated to acceptable medical or cultural practice. the definition of drug abuse is highly variable, sometimes also requiring excessive use of a drug, unnecessary use (thus incorporating recreational use), dependence, or illegal use.



<b>Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT)</b>	A program mandated by law as part of the Medicaid program. The law requires that all States have in effect a program for eligible children under age 21 to ascertain their physical or mental defects and to provide such health care treatments and other measures to correct or ameliorate defects and chronic conditions discovered. The State programs also have active outreach components to inform eligible persons of the benefits available to them, to provide screening, and if necessary, to assist in obtaining appropriate treatment.
<b>ECF</b>	Extended Care Facility
<b>Emergency Medical Services (EMS)</b>	Services utilized in responding to the perceived individual need for immediate treatment for medical, physiological, or psychological illness or injury.
<b>Employee Retirement Income Security Act (ERISA)</b>	A Federal act, passed in 1974, that established new standards and reporting/disclosure requirements for employer-funded pension and health benefit programs. To date, self-funded health benefit plans operating under ERISA have been held to be exempt from State insurance laws.
<b>Epidemic</b>	A group of cases of a specific disease or illness clearly in excess of what one would normally expect in a particular geographic area. There is no absolute criterion for using the term epidemic; as standards and expectations change, so might the definition of an epidemic, e.g., an epidemic of violence.
<b>Epidemiology</b>	The study of the patterns of determinants and antecedents of disease in human populations. Epidemiology utilizes biology, clinical medicine, and statistics in an effort to understand the etiology (causes) of illness and/or disease. The ultimate goal of the epidemiologist is not merely to identify underlying causes of a disease but to apply findings to disease prevention and health promotion.
<b>ER</b>	Emergency Room
<b>Exclusive Provider Arrangement (EPA)</b>	An indemnity or service plan that provides benefits only if care is rendered by the institutional and professional providers with which it contracts (with some exceptions for emergency and out-of-area services).
<b>Experience Rating</b>	A method of adjusting health plan premiums based on the historical Rating utilization data and distinguishing characteristics of a specific subscriber group.
<b>FACT</b>	Families, Agencies, Communities Together
<b>Favorable Selection</b>	A tendency for utilization of health services in a population group to be lower than expected or estimated.
<b>FDA</b>	Food and Drug Administration

<b>Fee-For-Service</b>	Method of billing for health services under which a physician or other practitioner charges separately for each patient encounter or service rendered; it is the method of billing used by the majority of U.S. country's physicians. Under a fee-for-service payment system, expenditures increase if the fees themselves increase, if more units of service are provided, or if more expensive services are substituted for less expensive ones. This system contrasts with salary, per capita, or other prepayment systems, where the payment to the physician is not changed with the number of services actually used.
<b>Fee Schedule</b>	An exhaustive list of physician services in which each entry is associated with a specific monetary amount that represents the approved payment level for a given insurance plan.
<b>Handicapped</b>	As defined by Section 504 of the Rehabilitation Act of 1973, any person who has a physical or mental impairment which substantially limits one or more major life activity, has a record of such impairment, or is regarded as having such an impairment.
<b>Health</b>	The state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity. It is recognized, however, that health has many dimensions (anatomical, physiological, and mental) and is largely culturally defined. The relative importance of various disabilities will differ depending upon the cultural milieu and the role of the affected individual in that culture. Most attempts at measurement have been assessed in terms or morbidity and mortality.
<b>Health Care Financing Administration (HCFA)</b>	The Government agency within the Department of Health and Human Services which directs the Medicare and Medicaid programs (Titles XVIII and XIX of the Social Security Act) and conducts research to support those programs.
<b>Health Education</b>	Any combination of learning opportunities designed to facilitate voluntary adaptations of behavior (in individuals, groups, or communities) conducive to health.
<b>Health Facilities</b>	Collectively, all physical plants used in the provision of health services; usually limited to facilities which were built for the purpose of providing health care, such as hospitals and nursing homes. They do not include an office building which includes a physician's office. Health facility classifications include: hospitals (both general and specialty), long-term care facilities, kidney dialysis treatment centers, and ambulatory surgical facilities.
<b>Health Insurance</b>	Financial protection against the medical care costs arising from disease or Insurance accidental bodily injury. Such insurance usually covers all or part of the medical costs of treating the disease or injury. Insurance may be obtained on either an individual or a group basis.

<b>Health Maintenance Organization (HMO)</b>	An entity with four essential attributes: (1) An organized system providing health care in a geographic area, which accepts the responsibility to provide or otherwise assure the delivery of; (2) an agreed-upon set of basic and supplemental health maintenance and treatment services to (3) a voluntarily enrolled group of persons; and (4) for which services the entity is reimbursed through a predetermined fixed, periodic prepayment made by, or on behalf of, each person or family unit enrolled. The payment is fixed without regard to the amounts of actual services provided to an individual enrollee. Individual practice associations involving groups or independent physicians can be included under the definition.
<b>Health Manpower Shortage Area (HMSA)</b>	An area or group which the U.S. Department of Health and Human Services designates as having an inadequate supply of health care providers. HMSAs can include: (1) an urban or rural geographic area, (2) a population group for which access barriers can be demonstrated to prevent members of the group from using local providers, or (3) medium and maximum-security correctional institutions and public or non-profit private residential facilities.
<b>Health Personnel</b>	Collectively, all persons working in the provision of health services, whether as individual practitioners or employees of health institutions and programs, whether or not professionally trained, and whether or not subject to public regulation. Facilities and health personnel are the principal health resources used in producing health services.
<b>Health Promotion</b>	Any combination of health education and related organizational, political, and economic interventions designed to facilitate behavioral and environmental adaptations that will improve or protect health.
<b>Health Service Area</b>	Geographic area designated on the basis of such factors as geography, political boundaries, population, and health resources, for the effective planning and development of health services.
<b>Health Status</b>	The state of health of a specified individual, group, or population. It may be measured by obtaining proxies such as people's subjective assessments of their health; by one or more indicators of mortality and morbidity in the population, such as longevity or maternal and infant mortality; or by using the incidence or prevalence of major diseases (communicable, chronic, or nutritional). Conceptually, health status is the proper outcome measure for the effectiveness of a specific population's medical care system, although attempts to relate effects of available medical care to variations in health status have proved difficult.

<b>Home Health Care</b>	Health services rendered in the home to the aged, disabled, sick, or convalescent individuals who do not need institutional care. The services may be provided by a visiting nurse association (VNA) home health agency, county public health department, hospital, or other organized community group and may be specialized or comprehensive. The most common types of home health care are the following: nursing services; speech, physical, occupational and rehabilitation therapy; homemaker services; and social services.
<b>Hospice</b>	A program which provides palliative and supportive care for terminally ill patients and their families, either directly or on a consulting basis with the patient's physician or another community agency. Hospice is used here for an organized program of care for people going through life's "last station." The whole family is considered the unit of care, and care extends through their period of mourning.
<b>Hospital</b>	An institution whose primary function is to provide inpatient diagnostic and therapeutic services for a variety of medical conditions, both surgical and nonsurgical. In addition, most hospitals provide some outpatient services, particularly emergency care. Hospitals may be classified by length of stay (short-term or long-term), as teaching or nonteaching, by major type of service (psychiatric, tuberculosis, general, and other specialties, such as maternity, pediatric, or ear, nose and throat,) and by type of ownership or control (Federal, State, or local government; for profit and nonprofit). The hospital system is dominated by the short-term, general, and nonprofit community hospital, often called a voluntary hospital.
<b>ICU</b>	Intensive Care Unit
<b>ICF/MR</b>	Intermediate Care Facility for the Mentally Retarded
<b>Indemnity</b>	Health insurance benefits provided in the form of cash payments rather than services. An indemnity insurance contract usually defines the maximum amounts which will be paid for the covered services.
<b>Indigent Care</b>	Health services provided to the poor or those unable to pay. Since many indigent patients are not eligible for Federal or State programs, the costs which are covered by Medicaid are generally recorded separately from indigent care costs.
<b>Inpatient</b>	A person who has been admitted at least overnight to a hospital or other health facility (which is therefore responsible for his or her room and board) for the purpose of receiving diagnostic treatment or other health services.
<b>Institutional Health Services</b>	Health services delivered on an inpatient basis in hospitals, nursing homes, or other inpatient institutions. The term may also refer to services delivered on an outpatient basis by departments or other organizational units of, or sponsored by, such institutions.

<b>Intermediate Care Facility (ICF)</b>	An institution which is licensed under State law to provide on a regular basis health-related care and services to individuals who do not require the degree of care or treatment which a hospital or skilled nursing facility is designed to provide. Public institutions for care of the mentally retarded or people with related conditions are also included in the definition. The distinction between "health-related care and services" and "room and board" has often proven difficult to make but is important because ICFs are subject to quite different regulations and coverage requirements than institutions which do not provide health-related care and services.
<b>Intervention or Intervention Strategy</b>	A generic term used in public health to describe a program or policy designed to have an impact on an illness or disease. Hence a mandatory seat belt law is an intervention designed to reduce automobile-related fatalities.
<b>License/Licensure</b>	A permission granted to an individual or organization by a competent authority, usually public, to engage lawfully in practice, occupation, or activity. Licensure is the process by which the license is granted. It is usually granted on the basis of examination and/or proof of education rather than on measures of performance. A license is usually permanent but may be conditioned on annual payment of a fee, proof of continuing education, or proof of competence.
<b>Long-Term Care</b>	A set of health care, personal care and social services required by persons who have lost, or never acquired, some degree of functional capacity (e.g. the chronically ill, aged, disabled, or retarded) in an institution or at home, on a long-term basis. The term is often used more narrowly to refer only to long-term institutional care such as that provided in nursing homes, homes for the retarded and mental hospitals. Ambulatory services such as home health care, which can also be provided on a long-term basis, are seen as alternatives to long-term institutional care.
<b>LPN</b>	License Practical Nurse
<b>Managed Care</b>	Any form of health plan that initiates selective contracting to channel patients to a limited number of providers and that requires utilization review to control unnecessary use of health services.
<b>MCAC</b>	Medical Care Advisory Committee
<b>MCH</b>	Maternal and Child Health
<b>Medical Assistance/Medicaid (Title XIX)</b>	A Federally aided, State-operated and administered program which provides medical benefits for certain indigent or low-income persons in need of health and medical care. The program, authorized by Title XIX of the Social Security Act, is basically for the poor. It does not cover all of the poor, however, but only persons who meet specified eligibility criteria. Subject to broad Federal guidelines, State determine the benefits covered, program eligibility, rates of payment for providers, and methods of administering the program.

<b>Medicaid Notch</b>	The reduction in real income that occurs which increased earnings removes a person from not only public cash-assistance programs, and from Medicaid.
<b>Medically Indigent</b>	People who cannot afford needed health care because of insufficient income and/or lack of adequate health insurance.
<b>Medically Underserved Population</b>	A population group experiencing a shortage of personal health services. A medically underserved population may or may not reside in a particular medically underserved area or be defined by its place of residence. Thus, migrants, American Indians, or the inmates of a prison or mental hospital may constitute such a population. The term is defined and used to give priority for Federal assistance (e.g., the National Health Service Corps).
<b>Medicare (Title XVIII)</b>	A U.S. health insurance program for people aged 65 and over, for persons eligible for social security disability payments for two years or longer, and for certain workers and their dependents who need kidney transplantation or dialysis. Monies from payroll taxes and premiums for beneficiaries are deposited in special trust funds for use in meeting the expenses incurred by the insured. It consists of two separate but coordinated programs: hospital insurance (Part A) and supplementary medical insurance (Part B).
<b>Mental Health</b>	The capacity in an individual to function effectively in society. Mental health is a concept influenced by biological, environmental, emotional, and cultural factors and is highly variable in definition, depending on time and place. It is often defined in practice as the absence of any identifiable or significant mental disorder and sometimes improperly used as a synonym for mental illness.
<b>Mental Health Services</b>	Comprehensive mental health services, as defined under some State laws and Federal statutes, include: inpatient care, outpatient care, day care, and other partial hospitalization and emergency services; specialized services for the mental health of children; specialized services for the mental health of the elderly; consultation and education services; assistance to courts and other public agencies in screening catchment area residents; follow-up care for catchment area residents discharged from mental health facilities or who would require inpatient care without such halfway house services; and specialized programs for the prevention, treatment and rehabilitation of alcohol and drug abusers.
<b>Mental Illness</b>	All forms of illness in which psychological, emotional, or behavioral disturbances are the dominating feature. The term is relative and variable in different cultures, schools of thought, and definitions. It includes a wide range of types and severities.
<b>MMIS</b>	Medicaid Management Information System
<b>Morbidity</b>	The extent of illness, injury, or disability in a defined population. It is usually expressed in general or specific rates of incidence or prevalence.

<b>Mortality</b>	Death. Used to describe the relation of deaths to the population in which they occur. The mortality rate (death rate) expresses the number of deaths in a unit of population within a prescribed time and may be expressed as crude death rates (e.g., total deaths in relation to total population during a year) or as death rates specific for diseases and, sometimes, for age, sex, or other attributes (e.g., number of deaths from cancer in white males in relation to the white male population during a given year).
<b>Need</b>	In health services, need has a normative connotation (i.e., the amount of a good or service which should be consumed). Because of the technical nature of medical care this value judgment is generally made by the health professional, rather than the consumer of the services. In health planning, need is the appropriate amount of health facilities and services required for a given area.
<b>Neighborhood Health Center</b>	An ambulatory health care program usually serving a catchment area which has scarce or nonexistence health services or population with special health needs and is often known as a community health center. Neighborhood health centers attempt to coordinate Federal, State, and local resources in a single organization capable of delivering both health care and related social services to a defined population.
<b>Nurse</b>	An individual trained to care for the sick, aged, or injured. A nurse can be defined as a professional qualified by education and authorized by law to practice nursing. There are many different types, specialties, and grades of nurses.
<b>Nurse Practitioner</b>	A registered nurse qualified and specially trained to provide primary care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions. Nurse practitioners generally function under the supervision of a physician but not necessarily in his or her presence. They are usually salaried rather than reimbursed on a fee-for-service basis, although the supervising physician may receive fee-for-service reimbursement for their services.
<b>Nursing Home</b>	Includes a wide range of institutions which provide various levels of maintenance and personal or nursing care to people who are unable to care for themselves and who have health problems which range from minimal to very serious. The term includes free-standing institutions, or identifiable components of other health facilities which provide nursing care and related services, personal care, and residential care. Nursing homes include skilled nursing facilities and extended care facilities but not boarding homes.
<b>OBRA</b>	Omnibus Budget Reconciliation Act
<b>Occupancy Rate</b>	A measure of inpatient health facility use, determined by dividing available bed days by patient days. It measures the average percentage of a hospital's beds occupied and may be institution-wide or specific for one department or service.

<b>Occupational Health Services</b>	Health services concerned with the physical, mental, and social well-being of an individual in relation to his or her working environment and with the adjustment of individuals to their work. The term applies to more than the safety of the workplace and includes health and job satisfaction. In the U.S., the principal Federal statute concerned with occupational health is the Occupational Safety and Health Act administered by the Occupational Safety and Health Administration (OSHA) and the National Institute of Occupational Safety and Health (NIOSH).
<b>Open Enrollment</b>	A method for assuring that insurance plans, especially prepaid plans, do not exclusively select good risks. Under an open enrollment requirement, a plan must accept all who apply during specific period each year.
<b>Outpatient</b>	A patient who is receiving ambulatory care at a hospital or other facility without being admitted to the facility. Usually, it does not mean people receiving services from a physician's office or other program which also does not provide inpatient care.
<b>Passive Intervention</b>	Health promotion and disease prevention initiatives which do not require the direct involvement of the individual (e.g., fluoridation programs) are termed "passive". Most often these types of initiatives are Government sponsored.
<b>Peer Review</b>	Generally, the evaluation by practicing physicians or other professionals of the effectiveness and efficiency of services ordered or performed by other members of the profession (peers). Frequently, peer review refers to the activities of the Professional Review Organizations, and also to review of research by other researchers.
<b>Personal Responsibility and Work Opportunity Reconciliation Act of 1996</b>	Conference Agreement for HR 3734: Public Law 104-193. Federal and welfare reform passed by the United State Congress on July 31, 1996 (U.S. House) and August 1, 1996 (U.S. Senate) and signed into law by Pres. Clinton on August 22, 1996. "Ends welfare as we know it."
<b>Physician Assistant (PA)</b>	Also known as a physician extender, a PA is a specially trained and licensed or otherwise credentialed individual who performs tasks, which might otherwise be performed by a physician, under the direction of a supervising physician.
<b>Point of Service</b>	A health insurance benefits program in which subscribers can select between different delivery systems (i.e., HMO, PPO and fee-for-service) when in need of medical services, rather than making the selection between delivery systems at time of open enrollment at place of employment. Typically, the costs associated with receiving care from HMO providers are less than when care is rendered by PPO or noncontracting providers.



<b>Poverty Area</b>	An urban or rural geographic area with a high proportion of low income families. Normally, average income is used to define a poverty area, but other indicators, such as housing conditions, illegitimate birth rates, and incidence of juvenile delinquency, are sometimes added to define geographic areas with poverty conditions.
<b>Preferred Provider Arrangement (PPA)</b>	Selective contracting with a limited number of health care providers, often at reduced or pre-negotiated rates of payment.
<b>Preferred Provider Organization (PPO)</b>	Formally organized entity generally consisting of hospital and physician providers. The PPO provides health care services to purchasers usually at (discounted rates in return for expedited claims payment and a somewhat predictable market share. In this model, consumers have a choice of using PPO or non-PPO providers; however, financial incentives are built in to benefit structures to encourage utilization of PPO providers.
<b>Prevailing Charge</b>	One of the factors determining a physician's payment for a service under Medicare, set at a percentile of customary charges of all physicians in the locality.
<b>Prevalence</b>	The number of cases of disease, infected persons, or persons with some other attribute, present at a particular time and in relation to the size of the population from which drawn. It can be a measurement of morbidity at a moment in time, e.g., the number of cases of hemophilia in the country as of the first of the year.
<b>Preventive Medicine</b>	Care which has the aim of preventing disease or its consequences. It includes health care programs aimed at warding off illnesses (e.g., immunizations), early detection of disease (e.g., Pap smears), and inhibiting further deterioration of the body (e.g., exercise or prophylactic surgery). Preventive medicine developed following discovery of bacterial diseases and was concerned in its early history with specific medical control measures taken against the agents of infectious diseases. Preventive medicine is also concerned with general preventive measures aimed at improving the healthfulness of the environment. In particular, the promotion of health through altering behavior, especially using health education, is gaining prominence as a component of preventive care.
<b>Primary Care</b>	Basic or general health care focused on the point at which a patient ideally first seeks assistance from the medical care system. Primary care is considered comprehensive when the primary provider takes responsibility for the overall coordination of the care of the patient's health problems, be they biological, behavioral, or social. The appropriate use of consultants and community resources is an important part of effective primary care. Such care is generally provided by physicians but is increasingly provided by other personnel such as nurse practitioners or physician assistants.
<b>Primary Prevention</b>	The prevention of an illness or disease before any symptoms manifest themselves.

<b>Provider</b>	Hospital or licensed health care professional or group of hospitals or health care professionals that provide health care services to patients. May also refer to medical supply firms and vendors of durable medical equipment.
<b>Public Good</b>	A good or service whose benefits may be provided to a group at no more cost than that required to provide it for one person. The benefits of the good are indivisible and individuals cannot be excluded. For example, a public health measure that eradicates smallpox protects all, not just those paying for the vaccination.
<b>Public Health</b>	The science dealing with the protection and improvement of community health by organized community effort. Public health activities are generally those which are less amenable to being undertaken by individuals or which are less effective when undertaken on an individual basis and do not typically include direct personal health services. Public health activities include: immunizations; sanitation; preventive medicine, quarantine and other disease control activities; occupational health and safety programs; assurance of the healthfulness of air, water, and food; health education; epidemiology, and others.
<b>QMB</b>	Qualified Medicare Beneficiary
<b>Quality of Care</b>	Can be defined as a measure of the degree to which delivered health services meet established professional standards and judgments of value to the consumer. Quality may also be seen as the degree to which actions taken or not taken maximize the probability of beneficial health outcomes and minimize risk and other untoward outcomes, given the existing state of medical science and art. Quality is frequently described as having three dimensions: quality of input resources (certification and/or training of providers); quality of the process of services delivery (the use of appropriate procedures for a given condition); and quality of outcome of service use (actual improvement in condition or reduction of harmful effects).
<b>Rate</b>	A measure of the intensity of the occurrence of an event. For example, the mortality rate equals the number who die in one year divided by the number at risk of dying. Rates are usually expressed using a standard denominator such as 1,000 or 100,000 persons.
<b>Rehabilitation</b>	The combined and coordinated use of medical, social, educational, and vocational measures for training or retraining individuals disabled by disease or injury to the highest possible level of functional ability. Several different types of rehabilitation are distinguished: vocational, social, psychological, medical, and educational.
<b>Reimbursement</b>	The process by which health care providers receive payment for their services. Because of the nature of the health care environment, providers are often reimbursed by third parties who insure and represent patients.

<b>Reinsurance</b>	The resale of insurance products to a secondary market thereby spreading the costs associated with underwriting.
<b>Screening</b>	The use of quick procedures to differentiate apparently well persons who have a disease or a high risk of disease from those who probably do not have the disease. It is used to identify high risk individuals for more definitive study or follow-up. Multiple screening (or multiphasic screening) is the combination of a battery of screening tests for various diseases performed by technicians under medical direction and applied to large groups of apparently well persons.
<b>Secondary Care</b>	Services provided by medical specialists who generally do not have first contact with patients (e.g., cardiologist, urologists, dermatologists). In the U.S., however, there has been a trend toward self-referral by patients for these services, rather than referral by primary care providers. This is quite different from the practice in England, for example, where all patients must first seek care from primary care providers and are then referred to secondary and/or tertiary providers, as needed.
<b>Secondary Prevention</b>	Early diagnosis, treatment and follow-up. Secondary prevention activities start with the assumption that illness is already present and that primary prevention was not successful and the goal is to diminish the impact of disease or illness through early detection, diagnosis and treatment. For example, blood pressure screening, treatment, and follow up programs.
<b>Service Period</b>	Period of employment that may be required before an employee is eligible to participate in an employer-sponsored health plan, most commonly one to three months.
<b>Severity of Illness</b>	A risk prediction system to correlate the "seriousness" of a disease in a particular patient with the statistically "expected" outcome (e.g., mortality, morbidity, efficiency of care). Most effectively, severity is measured at or soon after admission, before therapy is initiated, giving a measure of pretreatment risk.
<b>Skilled Nursing Facility (SNF)</b>	A nursing care facility participating in the Medicaid and Medicare programs which meets specified requirements for services, staffing and safety.
<b>SLAG</b>	State Legalization Impact Assistance Grant
<b>SLIMB</b>	Special Low-Income Medicare Beneficiary

<b>Sole Community Hospital (SCH)</b>	A hospital which (1) is more than 50 miles from any similar hospital, (2) is Hospital (SCH) 25 to 50 miles from a similar hospital and isolated from it at least one month a year as by snow, is the exclusive provider of services to at least 75 percent of its service area populations, (3) is 15 to 25 miles from any similar hospital and is isolated from it at least one month a year, or (4) has been designated as an SCH under previous rules. The Medicare DRG program makes special optional payment provisions for SCHs, most of which are rural, including providing that their rates are set permanently so that 75 percent of their payment is hospital-specific and only 25 percent is based on regional DRG rates.
<b>Spend Down</b>	The amount of expenditures for health care services, relative to income, that qualifies an individual for Medicaid in States that cover categorically eligible, medically indigent individuals. Eligibility is determined on a case-by-case basis.
<b>STD</b>	Sexually transmitted diseases
<b>Survey</b>	An investigation in which information is systematically collected. A population survey may be conducted by face-to-face inquiry, by self-completed questionnaires, by telephone, by postal service, or in some other way. Each method has its advantages and disadvantages. The generalizability of results depends upon the extent to which those surveyed are representative of the entire population.
<b>Symptomatic</b>	Someone who has symptoms of a disease or illness is symptomatic. Someone who has smoked all his/her life and has a heavy cough is said to be symptomatic. A heavy lifelong smoker who has not yet developed symptoms is said to be pre-symptomatic.
<b>Technology Assessment</b>	A comprehensive form of policy research that examines the technical, economic, and social consequences of technological applications. It is especially concerned with unintended, indirect, or delayed social impacts. In health policy, the term has come to mean any form of policy analysis concerned with medical technology, especially the evaluation of efficacy and safety.
<b>Temporary Assistance for Needy Families (TANF)</b>	The federal block grants to states for assistance payments. Replaces the entitlement program known as Aid to Families with Dependent Children (AFDC).
<b>Tertiary Care</b>	Services provided by highly specialized providers (e.g., neurologists, neurosurgeons, thoracic surgeons, intensive care units). Such services frequently require highly sophisticated equipment and support facilities. The development of these services has largely been a function of diagnostic and therapeutic advances attained through basic and clinical biomedical research.

<b>Tertiary Prevention</b>	Prevention activities which focus on the individual after a disease or illness has manifested itself. The goal is to reduce long-term effects and help individuals better cope with symptoms.
<b>Third-Party Payer</b>	Any organization, public or private, that pays or insures health or medical expenses on behalf of beneficiaries or recipients. An individual pays a premium for such coverage in all private and in some public programs; the payer organization then pays bills on the individual's behalf. Such payments are called third-party payments and are distinguished by the separation among the individual receiving the service (the first party), the individual or institution providing it (the second party), and the organization paying for it (third party).
<b>Title XVIII (Medicare)</b>	The title of the Social Security Act which contains the principal legislative authority for the Medicare program and therefore a common name for the program.
<b>Title XIX (Medicaid)</b>	The title of the Social Security Act which contains the principal legislative authority for the Medicaid program and therefore a common name for the program.
<b>UMAP</b>	Utah Medical Assistance Program
<b>Uncompensated Care</b>	Service provided by physicians and hospitals for which no payment is received from the patient or from third-party payers. Some costs for these services may be covered through cost-shifting. Not all uncompensated care results from charity care. It also includes bad debts from persons who are not classified as charity cases but who are unable or unwilling to pay their bill.
<b>Underinsured</b>	People with public or private insurance policies that do not cover all necessary medical services, resulting in out-of-pocket expenses that exceed their ability to pay.
<b>Uninsured</b>	People who lack public or private health insurance.
<b>Usual, Customary and Reasonable (UCR) Fees</b>	The use of fee screens to determine the lowest value of physician and Reasonable reimbursement based on: (1) the physician's usual charge for a given procedure, (2) the amount customarily charged for the service by other physicians in the area (often defined as a specific percentile of all charges in the community), and (3) the reasonable cost of services for a given patient after medical review of the case.
<b>Utilization</b>	Use; commonly examined in terms of patterns or rates of use of a single service or type of service, e.g., hospital care, physician visits, prescription drugs. Use is also expressed in rates per unit of population at risk for a given period.

**Vital Statistics** Statistics relating to births (natality), deaths (mortality), marriages, health, and disease (morbidity). Vital statistics for the United States are published by the National Center for Health Statistics.

**WIC** Women, Infant, and Children supplemental food program

**Wellness** A dynamic state of physical, mental, and social well-being; a way of life which equips the individual to realize the full potential of his or her capabilities and to overcome and compensate for weaknesses; a lifestyle which recognizes the importance of nutrition, physical fitness, stress reduction, and self-responsibility. Wellness has been viewed as the result of four key factors over which an individual has varying degrees of control: human biology, environment, health care organization (system), and lifestyle.