

Utah Annual Report of Medicaid & CHIP



State Fiscal Year 2013

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This report can be viewed at: www.health.utah.gov/medicaid

Medicaid Finance

The Utah Department of Health (DOH), Division of Medicaid and Health Financing (DMHF) provides Medicaid funding for medical services to needy individuals and families throughout the state of Utah. Medicaid is financed by state and federal resources.

Means of Finance

Medicaid was established by Title XIX of the Social Security Act in 1965. Utah implemented its Medicaid program in 1966 which, at the time, focused on acute and long-term care. DOH is designated as the Single State Agency responsible for making state applications to the federal government for all Medicaid funding and Medicaid-related programs. Medicaid, a partnership program between the federal and state governments, provides coverage for physical health, behavioral health and dental services, as well as long-term care services. Eligibility for the program is based primarily on income and resource levels.

The Medicaid program is administered under the direction of the Centers for Medicare and Medicaid Services (CMS) within the United States Department of Health and Human Services. CMS sets requirements that include funding, qualification guidelines and quality and extent of medical services. CMS also has the responsibility of to provide federal oversight of the program.

Medicaid is funded by a share of both federal and state funds. This percentage of federal versus state funding is based on the Federal Medical Assistance Percentages (FMAP), which are updated every Federal Fiscal Year (FFY). The FFY runs from October 1 to September 30. The FMAP for each state ranges from 50 percent to 73.4 percent of program cost. The funding formula is based on each state's latest three year average per capita income. Table 2 is an eleven year historical list of Utah FMAP running from 2004 to 2014, modified to match the State Fiscal Year (SFY), which runs from July 1 on one year to June 30 of the following year.

Table 2: Federal Medicaid Assistance Percentages (FMAP) for Utah SFY 2004 – SFY 2014

SFY	Federal Percentage	State Percentage
2004	71.60%	28.40%
2005	72.04%	27.96%
2006	71.11%	28.89%
2007	70.30%	29.70%
2008	71.26%	28.74%
2009	70.94%	29.06%
2010	71.44%	28.56%
2011	71.27%	28.73%
2012	71.03%	28.97%
2013	69.96%	30.04%
2014	70.16%	29.84%

DMHF receives approximately 70 percent of its funding from the Federal match and 30 percent from the State General fund. During fiscal years 2009 – 2011, the federal government provided a temporary increase to the FMAP as specified in the American Recovery and Reinvestment Act (ARRA). Those increases are not specified in Table 3. Medicaid administrative costs are generally matched at 50 percent by federal funds.

Medicaid Expenditures SFY 2013

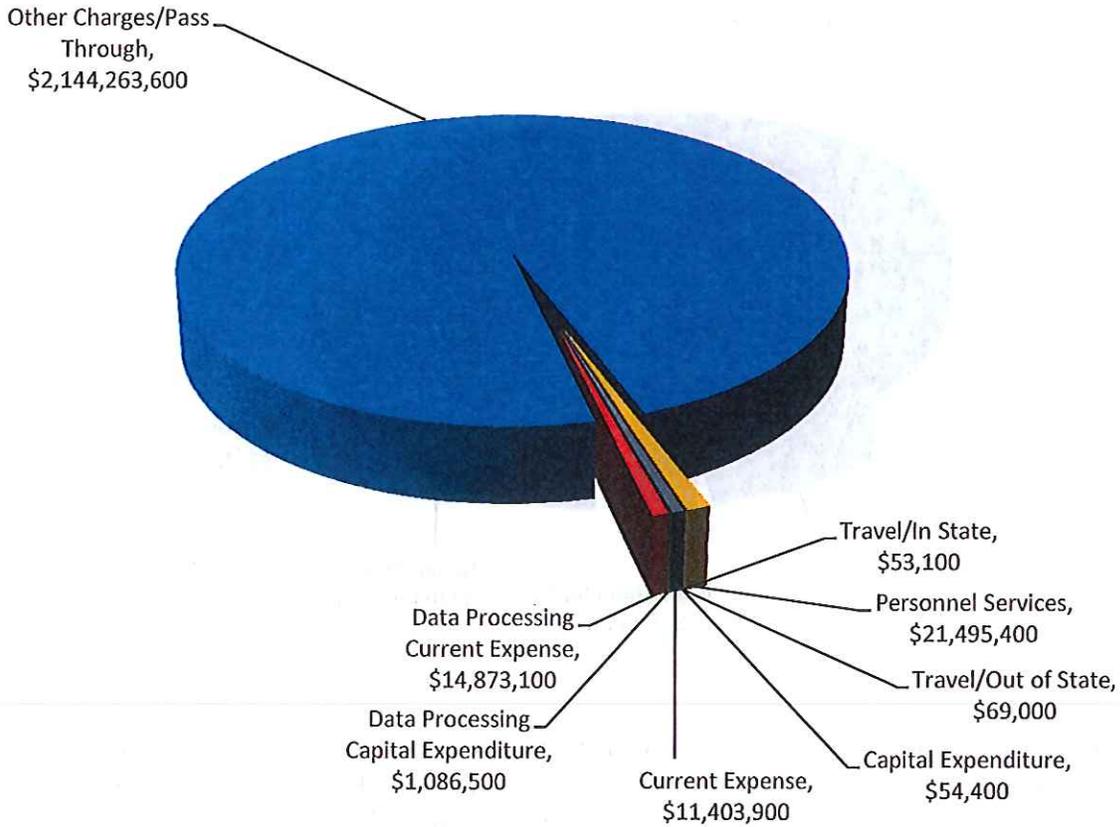


FIGURE 2

Figure 2 is a breakout of Medicaid program expenditures. The largest component, “Other Charges/Pass Through,” is largely comprised of payments to providers of Medicaid services.

Medicaid Program Total Revenue Sources SFY 2013

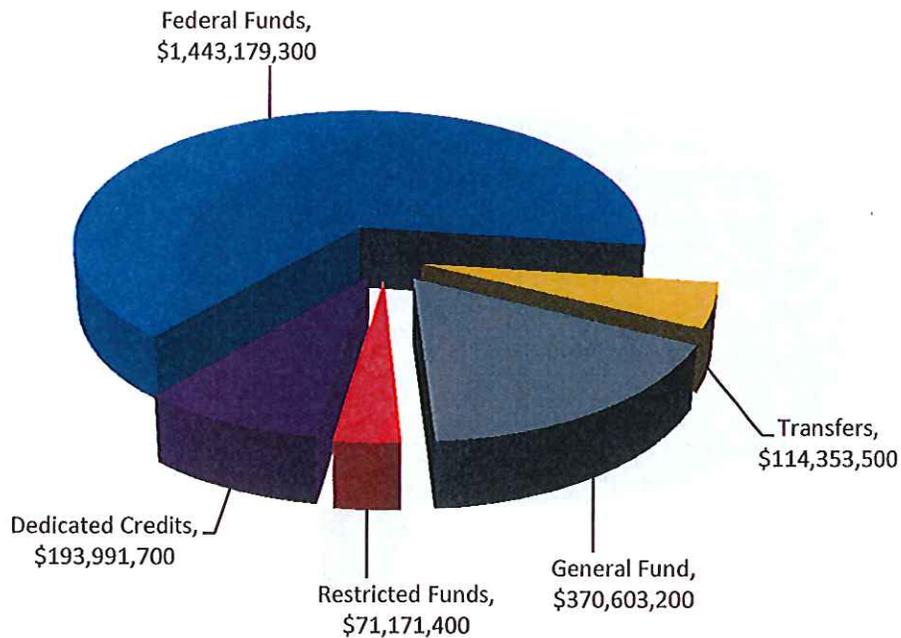


FIGURE 3

DMHF's revenues come from various fund sources, namely the State General Fund, Dedicated Credits, Restricted Revenues, Transfers and the associated Federal Funds. Transfers and most dedicated credits are funds from other state, local county agencies, or school districts often referred to as "seeded funds", which are used to draw down federal matching funds based on the FMAP. Figure 3 shows a breakout of revenue types, sources and amounts in 2013.