BUDGET AND POLICY BRIEF

Healthy Utah

Highlights:

95,000 Utahns covered

$446 million in Utah-paid federal tax dollars returning to the state

$4.6 million net funding in FY 2015 and FY 2016

Objective

To implement a Utah-cultivated solution to provide private-market healthcare coverage to low-income Utah adults; to recoup over $446 million in Utah-paid Affordable Care Act federal tax dollars through an enhanced federal assistance percentage of 90 – 100%, compared to the 70/30 match rate for traditional Medicaid.

Background

As Utah's Medicaid program is currently designed, not all low-income citizens qualify for coverage. In general, non-disabled adults without dependent children and parents who earn more than approximately 50% of the federal poverty level (~$7,500 a year for a family of two) are categorically ineligible for Medicaid benefits. Likewise, the Affordable Care Act dictates that individuals with incomes below the poverty level cannot receive federal premium subsidies towards the purchase of coverage through the federal health insurance marketplace. It is estimated that more than 62,000 Utahns living in poverty fall into a coverage gap where they can neither access Medicaid nor financial assistance towards the purchase of health insurance. Many of these individuals may only need transitional assistance as they seek to improve their employment situation, whereas others are medically frail and have acute healthcare needs. Another feature of the Affordable Care Act is the imposition of billions of dollars of new taxes in the form of Medicare taxes on higher income families, "Cadillac taxes" on high-cost insurance plans, and increases in taxes on employers and insurance providers, among others. Utah's annual share of this tax burden is estimated to be $700-800 million.

Finally, the Affordable Care Act created a new Medicaid eligibility group for adults up to 133% of the federal poverty level ($20,900 a year for a family of two). States that elect to extend coverage to individuals in this new aid category will receive 100% federal cost sharing in calendar year 2016 and 95% federal cost sharing in calendar year 2017, with one percent reductions each year until calendar year 2020 when cost sharing will remain constant at 90%.

Guiding Principles

- To develop Utah-specific policy solutions which optimally address the needs of the public while maintaining the proper role of government.

- To respect the taxpayer by ensuring that expenditure decisions yield return on the investment of both state and federal tax dollars paid by Utahns.
- To honor our collective responsibility to assist our state's most vulnerable, but to do so in a fashion that instills individual responsibility and promotes self-determination.

Proposed Solutions

Where the Affordable Care Act failed, Healthy Utah succeeds. Healthy Utah provides premium subsidies to Utah adults between the ages of 19-64 who earn incomes less than 133% of poverty to be used towards the purchase of private-market healthcare coverage. Newly eligible parents with Medicaid-qualifying dependent children will also have the option of unifying their families' coverage by bringing their children onto their qualified health plan. Healthy Utah beneficiaries who are determined to be medically frail will have the option of enrolling in traditional Medicaid coverage, primarily provided through Accountable Care Organizations, or they may receive premium subsidies like their non-frail counterparts. Healthy Utah will also provide premium assistance with employer-provided insurance for enrollees who possess such benefits.

Healthy Utah beneficiaries must meet financial and participation requirements as a condition of their enrollment. All members must pay some form of copay and those above poverty will have higher copays and pay a monthly premium. Healthy Utah participants who are not working will be automatically enrolled into an integrated work program. This benefit will help people improve their skills and provide them opportunities to improve their employment situation. The state is exploring various options to ensure and maximize compliance with the integrated work plan. Consequences for non-compliance could range from the withholding or reducing of TANF and SNAP benefits, to the revocation of driver licenses.

While the Governor recognizes some of the challenges associated with the Affordable Care Act and continues to encourage Congress to address some of its deficiencies, he believes that doing nothing is not an option. The ACA is the law of the land and as such Utah must work within the law's constraints in order to create the best plan possible for tax payers and those in need of health care coverage. By primarily offering premium subsidies instead of traditional Medicaid benefits, Healthy Utah leverages efficiencies and preserves the integrity of private insurance and healthcare markets, while reducing uncompensated care by an estimated $51 million annually. With the majority of the newly eligible population either in poverty or of medically frail status, Healthy Utah closes the coverage gap and provides assistance to our most needy and vulnerable. For those who are able-bodied and work ready, Healthy Utah requires beneficiaries to demonstrate efforts towards self-sufficiency. By recouping millions of Utah-paid federal tax dollars, Healthy Utah respects the tax-payer and benefits all citizens of the state.

Budget Recommendations

The most recent actuarial projections are that 72,500 newly eligible individuals will enroll in Healthy Utah in Fiscal Year 2016. Service costs for these new enrollees will be paid exclusively by federal funds that year. However, is it estimated that 22,500 individuals who are currently eligible for Medicaid but unenrolled in the program will seek out benefits due to increased awareness around the implementation of Healthy Utah. This phenomenon is commonly referred to as the 'Woodwork Effect'. Service costs for Woodwork enrollees are covered at the traditional match rate of 70% Federal Funds and 30% State Funds.

Conversely, Healthy Utah generates savings in areas where new Medicaid dollars will displace state funds that are supporting the provision of non-Medicaid healthcare benefits, such as the Primary Care Network, behavioral health programs and inpatient hospital services for prisoners.

The Governor recommends $930,000 in Fiscal Year 2015 for Healthy Utah related infrastructure and administration costs in the Department of Health and Department of Workforce Services. In Fiscal Year 2016, the Governor $3,683,000 available to cover the totality of expected net costs in Fiscal Year 2016.

BUDGET AND POLICY BRIEF

Medicaid

Highlights:

- **$12.9 million** negative supplemental in Fiscal Year 2015
- **$10.1 million** in new funding in Fiscal Year 2016
- **$4.5 million** reduction in Primary Care Network funding for Healthy Utah

Objective

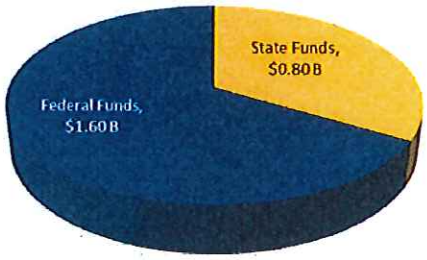
To provide healthcare coverage to Medicaid beneficiaries at a long-run sustainable cost and in a fashion that maintains or improves benchmarks for quality of care.

Background

Medicaid is a joint state and federal program that funds health care services for an estimated 321,000 low-income Utahns in FY 2016. Medicaid is an entitlement program, meaning that the program guarantees the authorized services to everyone that meets eligibility requirements. Eligible recipients receive services from private providers, who are paid with Medicaid program funds. Service costs for currently eligible Medicaid beneficiaries are typically shared between federal and state funding sources at a 70/30 split. This federal participation is in contrast to, and independent of, the 100% federal cost sharing for newly eligible individuals under the Governor's Healthy Utah plan in Fiscal Year 2016.

Medicaid income eligibility requirements vary, with qualified income thresholds reaching up to 133% of the federal poverty level for some core service groups. The federal poverty level, which varies by household size, is about $24,000 for a family of four. In general, adults without dependent children do not qualify for Medicaid on the sole basis of low income and asset status. However, considerable overlap exists between Medicaid eligibility criteria and eligibility requirements for other public benefit programs.

Figure 1 – FY 2016 Medicaid Funding



From Fiscal Year 2003 to Fiscal Year 2013, Medicaid General Fund spending grew from $276 million to $502 million, which represents an increase in the Medicaid share of General Fund from 15% to 25%. In Fiscal Years 2015 and 2016, Medicaid spending as a percent of all General Fund is expected to decline to less than 23%, as General Fund growth outpaces anticipated growth in Medicaid expenditures.

Numerous factors influence the level of Medicaid expenditures, including population growth, program changes, and, in particular, economic conditions. Medicaid enrollment tends to be counter-cyclical, meaning enrollment increases

when economic conditions deteriorate. An improving economy is expected to put downward pressure on Medicaid enrollment growth.

Figure 2 – General Fund for Medicaid

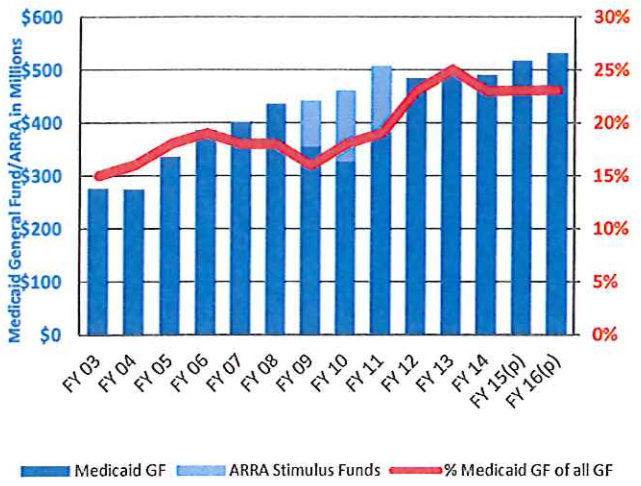
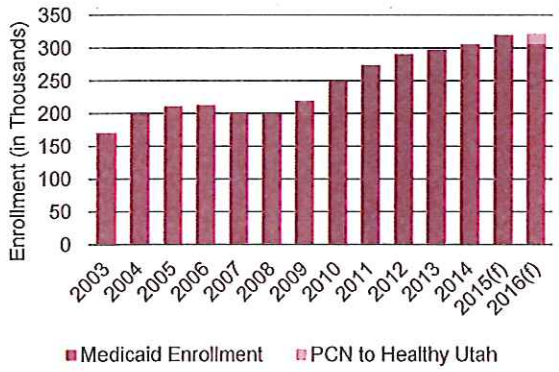


Figure 3 – Number of Medicaid Enrollees



In Fiscal Year 2015, average Medicaid enrollment (including Qualified Medical Benefits and the Primary Care Network) is expected to reach 319,000 individuals. This represents a year-over growth rate of 4.7%, however, nearly all of this increase in enrollment can be attributed to children transitioning from the Children's Health Insurance Program (CHIP) to traditional Medicaid coverage. Under the Affordable Care Act, children under 133% of the federal poverty level are eligible for traditional Medicaid benefits, thus an estimated 13,200 children who were previously covered under CHIP are expected to receive Medicaid benefits in Fiscal Year 2015. In Fiscal Year 2016, base enrollment is anticipated to grow by less than 1%, which is more characteristic of typical Medicaid enrollment behavior during an economic climate like that of which Utah is currently experiencing. Furthermore, approximately 15,000 Primary Care Network beneficiaries are projected to become eligible for Healthy Utah benefits in Fiscal Year 2016.

Budget Recommendation

The Governor recommends a $12.9 million negative supplemental for Medicaid in Fiscal Year 2015 ($15.4 million when including surplus funds in the Children's Health Insurance Program) and $10.1 million in new funding to support increases in reimbursement rates for nursing homes, the restoration of dental coverage for the elderly and people with disabilities and to provide ACA tax offsets for Accountable Care Organizations, among other items. The Governor also recommends that activities and costs as identified and forecasted by the Medicaid Consensus workgroup be carried out and covered in Fiscal Year 2016 (i.e. a 2% increase to Accountable Care Organizations, transition program caseload, forced provider inflation, general caseload growth, etc.), but corresponding funding will be provided as necessary in the form of a supplemental that year because the Medicaid Mandatory and Optional line items have been running surpluses for several consecutive years.

Recent practice has been to take negative supplementals from Medicaid as they materialize from the previous year's closing balance or the current year's cost projection. This year, the Governor recommends addressing potential Medicaid surpluses prospectively by delaying new funding recommendations for Medicaid Consensus items until those funding needs become apparent in FY 2016. Under Healthy Utah, the Governor recommends that the Primary Care Network program be dissolved and that the corresponding $4.5 million in funding be repurposed for related Healthy Utah service and administration costs. Finally, it is recommended that the state Medicaid agency be allowed to access Medicaid stabilization account funds as necessary in the event that costs exceed Medicaid Consensus workgroup projections.

Table 9 - Recommended Adjustments by Agency: General Fund and Education Fund

Ongoing and One-time Funding

Detail of FY 2015 Recommended Adjustments

Adjustment	One-time	Ongoing
Administrative Services		
State Employee Transit Passes	450,000	0
Board of Bonding Commission		
Debt Service Payments	69,800	0
Courts		
Juror/Witness/Interpreter Supplemental for FY 14 Deficit	814,200	0
Governor and Lt. Governor		
Factual Innocence Payments	48,200	0
Health		
Health Facility State Licensing Staffing	86,900	0
Healthy Utah Administration Increase	793,500	0
Reduction in CHIP and Medicaid Caseload	-15,419,900	0
Public Education		
Enrollment Growth-Educator Salary Adjustments	3,430,000	0
Workforce Services		
DWS Healthy Utah Administration Costs	138,300	0
Utah Futures	1,000,000	0
Total of FY 2015 Recommended Adjustments	**-8,589,000**	**0**

Detail of FY 2016 Recommended Adjustments

Adjustment	One-time	Ongoing
Administrative Services		
Cyber-Security Insurance	250,000	0
Internal Auditing	0	300,000
Jail Reimbursement Rate	0	1,500,000
State employee transit passes	900,000	0
Agriculture and Food		
State Fair Park operations	675,000	0
Unified Labs O&M	-188,800	188,800
Utah Conservation reorganization	700,000	0
Utah's Own program	100,000	0
Attorney General		
IT/Case Management system	200,000	0
Expand Attorney General Staff	0	438,100
Auditor		
Shift Funding Source for Audits from General Fund to College and University Billings	0	-712,500
Board of Bonding Commission		
Debt Service Payments	14,139,000	82,500
Board of Pardons and Parole	0	0
Justice Reinvestment Initiative-Research/Data Collection	74,000	100,000
Building Board Construction		
Capital Improvements	38,799,600	26,000,000
Dixie ATC Building	31,900,000	0
U of U Huntsman Cancer Institute Building	9,500,000	0
Prison Relocation Costs	45,000,000	0
Schools for the Deaf and Blind Building	14,500,000	0
Snow College Building	19,937,000	0
U of U Crocker Building	34,000,000	0
Unified Labs	39,741,000	0
Capitol Preservation Board		
Capitol Security	3,250,000	0

Adjustment	One-time	Ongoing
Corrections		
Correctional Staff Compensation	0	2,151,000
Gunnison Prison Operation Costs	-5,100,000	8,000,000
Healthy Utah Program Savings: Transferring Inpatient Service Costs	0	-2,151,000
Jail Contracting Funding	0	1,208,000
Jail Contracting Rate Increase	0	1,000,000
Justice Reinvestment Initiative-Access to Recovery	600,000	0
Justice Reinvestment Initiative-Clinical Therapists	0	1,805,900
Justice Reinvestment Initiative-Jail Treatment for State Inmates	500,000	0
Justice Reinvestment Initiative-Mental Health Services	0	1,045,100
Justice Reinvestment Initiative-Office Specialists	0	604,000
Justice Reinvestment Initiative-Training for APP Agents/Board of Pardons	40,000	100,000
Justice Reinvestment Initiative-Transition Specialists	0	893,000
Justice Reinvestment Initiative-Treatment Agents	0	988,000
Courts		
4th District Juvenile Court Judge and Staff	0	385,000
Ongoing Increase to Eliminate the JWI Line Item Deficits	0	850,000
Replace Trust GFR Account Appropriation with GF	500,000	0
Judge Salary Adjustment	0	1,000,000
Environmental Quality		
Attorney General Support for Air Quality	0	135,000
Air Quality CARROT Grants	1,000,000	0
Air Quality Compliance Officers	43,600	360,300
Enterprise-wide GIS Land Information Initiative	600,000	0
Air Quality Research	0	750,000
Underground Storage Tank Remediation	0	100,000
Gov. Office of Economic Development		
Avenue H operating expenses	750,000	0
Business Resource Centers	125,000	0
Economic Development Tax Credit Compliance Position	110,000	0
Pass-through Sundance Institute and GOED co-branding	1,000,000	0
Rural Outreach Coordinator Position	0	80,000
Statutory Surplus Designated to the Industrial Assistance Fund	4,525,000	0
Your Utah, Your Future	500,000	0
Gov. Office of Energy Development		
Energy Research Triangle	200,000	0
Governor and Lt. Governor		
Pay for Success - Corrections	0	500,000
Doing Business in Utah	100,000	0
Enterprise Performance Fund	400,000	0
Factual Innocence Payments	30,200	0
Governor's Office Operations	0	210,000
Justice Reinvestment Initiative-Victim Advocates	250,000	0
Justice Reinvestment Initiative-County Incentive Grant Program	2,000,000	0
Presidential Primary	3,000,000	0
Privatization Board	150,000	0
Water Pricing Study	100,000	0
Health		
Affordable Care Act (ACA) Provider Tax	1,016,500	0
Baby Watch Early Intervention	220,000	0
Health Facility Certification Staffing	56,000	0
Health Facility State Licensing Staffing	86,900	0
Healthy Utah Administration Increase	200,000	658,500
Healthy Utah Program Savings: Transition of Primary Care Network	0	-4,500,000
Healthy Utah Service Costs	-4,702,900	19,943,400
Medicaid Management Information System (MMIS)	3,500,000	0
Nursing Home Rate Increase	0	2,000,000

Adjustment	One-time	Ongoing
Prescription Drug Abuse, Misuse, and Overdose Prevention	500,000	0
Reduction in CHIP Caseload	-717,100	0
Restore Dental Coverage For Elderly And Persons With Disabilities on Medicaid	0	3,226,000
Technology Dependent Waiver Capacity Expansion	0	366,000
Unified Labs O&M	-191,400	191,400
Heritage and Arts		
State Fine Arts Collection Maintenance And Restoration	0	40,000
Local Library (CLEF) Grant Funding	0	130,000
Local Museum Grants	0	120,000
Olympic Legacy Foundation	750,000	0
Utah Symphony	300,000	0
Higher Education		
U of U Huntsman Cancer Institute Building O&M	-1,850,000	1,850,000
Performance Based Funding	0	15,000,000
Snow College Building O&M	-322,000	322,000
Regents Scholarships	0	3,000,000
U of U Crocker Building O&M	-683,000	683,000
Career Counseling Program For Public Education Students	0	1,500,000
Human Resource Management		
General Fund Shift per Transition to Full DHRM ISF	0	-2,523,500
Human Services		
Adult Protective Services Staffing	229,700	0
Direct Care Staff Salary Increase	2,900,000	0
Federal Medicaid Assistance Percentage (FMAP)	0	537,100
Forensic Competency Restoration - Waiting List Reduction	300,000	0
Healthy Utah Program Savings: Behavioral Health	-952,000	-5,160,000
Local Caregiver Support Program	0	100,000
Medicaid Match Funds For Local Mental Health Authorities	6,400,000	0
Mental Health Early Intervention	1,500,000	0
Meals on Wheels	150,000	0
Restore Medicaid Funding Loss From Change In Allocation Methods - Utah State Hospital	0	1,200,000
Juvenile Justice Services		
Federal Medicaid Assistance Percentage (FMAP)	0	17,200
Weber Valley Detention	1,140,000	500,000
National Guard		
Military and Family Life Counselors	0	210,000
Natural Resources		
Dam safety	5,000,000	0
Hazards mapping	3,000	184,800
This is the Place Park funding increase	0	200,000
Water Rights Adjudication	0	438,000
Public Education		
Beverly Taylor Elementary Arts	2,500,000	2,500,000
Braille Embossers (USIMAC)	350,000	0
Capital Equalization Program	36,000,000	20,000,000
Schools for the Deaf and Blind Enrollment Growth	0	490,000
Minimum School Program Enrollment Growth	0	54,709,600
Increase in the WPU (6.25%)	0	160,983,400
Schools for the Deaf and Blind Modular Classrooms	347,000	0
Professional Development Principals	5,000,000	0
School Evaluation Support	1,000,000	0
Schools for the Deaf and Blind Building O&M	-45,000	45,000
Steps and Lanes for Utah Schools for the Deaf and the Blind	0	131,000
Student-centered Learning Pilot Program	250,000	0
Teacher Supplies	6,000,000	0
Clean-fuel School Buses	20,000,000	0
USIMAC Specialized Positions	0	240,000

26-18-503 Authorization to renew, transfer, or increase Medicaid certified programs -- Reimbursement methodology.

(1)

(a) The division may renew Medicaid certification of a certified program if the program, without lapse in service to Medicaid recipients, has its nursing care facility program certified by the division at the same physical facility as long as the licensed and certified bed capacity at the facility has not been expanded, unless the director has approved additional beds in accordance with Subsection (5).

(b) The division may renew Medicaid certification of a nursing care facility program that is not currently certified if:

(i) since the day on which the program last operated with Medicaid certification:

(A) the physical facility where the program operated has functioned solely and continuously as a nursing care facility; and

(B) the owner of the program has not, under this section or Section 26-18-505, transferred to another nursing care facility program the license for any of the Medicaid beds in the program; and

(ii) the number of beds granted renewed Medicaid certification does not exceed the number of beds certified at the time the program last operated with Medicaid certification, excluding a period of time where the program operated with temporary certification under Subsection 26-18-504(4).

(2)

(a) The division may issue a Medicaid certification for a new nursing care facility program if a current owner of the Medicaid certified program transfers its ownership of the Medicaid certification to the new nursing care facility program and the new nursing care facility program meets all of the following conditions:

(i) the new nursing care facility program operates at the same physical facility as the previous Medicaid certified program;

(ii) the new nursing care facility program gives a written assurance to the director in accordance with Subsection (4);

(iii) the new nursing care facility program receives the Medicaid certification within one year of the date the previously certified program ceased to provide medical assistance to a Medicaid recipient; and

(iv) the licensed and certified bed capacity at the facility has not been expanded, unless the director has approved additional beds in accordance with Subsection (5).

(b) A nursing care facility program that receives Medicaid certification under the provisions of Subsection (2)(a) does not assume the Medicaid liabilities of the previous nursing care facility program if the new nursing care facility program:

(i) is not owned in whole or in part by the previous nursing care facility program; or

(ii) is not a successor in interest of the previous nursing care facility program.

(3) The division may issue a Medicaid certification to a nursing care facility program that was previously a certified program but now resides in a new or renovated physical facility if the nursing care facility program meets all of the following:

(a) the nursing care facility program met all applicable requirements for Medicaid certification at the time of closure;

(b) the new or renovated physical facility is in the same county or within a five-mile radius of the original physical facility;

(c) the time between which the certified program ceased to operate in the original facility and will begin to operate in the new physical facility is not more than three years;

(d) if Subsection (3)(c) applies, the certified program notifies the department within 90 days after ceasing operations in its original facility, of its intent to retain its Medicaid certification;
(e) the provider gives written assurance to the director in accordance with Subsection (4) that no third party has a legitimate claim to operate a certified program at the previous physical facility; and
(f) the bed capacity in the physical facility has not been expanded unless the director has approved additional beds in accordance with Subsection (5).

(4)
(a) The entity requesting Medicaid certification under Subsections (2) and (3) shall give written assurances satisfactory to the director or the director's designee that:
(i) no third party has a legitimate claim to operate the certified program;
(ii) the requesting entity agrees to defend and indemnify the department against any claims by a third party who may assert a right to operate the certified program; and
(iii) if a third party is found, by final agency action of the department after exhaustion of all administrative and judicial appeal rights, to be entitled to operate a certified program at the physical facility the certified program shall voluntarily comply with Subsection (4)(b).
(b) If a finding is made under the provisions of Subsection (4)(a)(iii):
(i) the certified program shall immediately surrender its Medicaid certification and comply with division rules regarding billing for Medicaid and the provision of services to Medicaid patients; and
(ii) the department shall transfer the surrendered Medicaid certification to the third party who prevailed under Subsection (4)(a)(iii).

(5)
(a) As provided in Subsection 26-18-502(2)(b), the director shall issue additional Medicaid certification when requested by a nursing care facility or other interested party if there is insufficient bed capacity with current certified programs in a service area. A determination of insufficient bed capacity shall be based on the nursing care facility or other interested party providing reasonable evidence of an inadequate number of beds in the county or group of counties impacted by the requested Medicaid certification based on:
(i) current demographics which demonstrate nursing care facility occupancy levels of at least 90% for all existing and proposed facilities within a prospective three-year period;
(ii) current nursing care facility occupancy levels of 90%; or
(iii) no other nursing care facility within a 35-mile radius of the nursing care facility requesting the additional certification.
(b) In addition to the requirements of Subsection (5)(a), a nursing care facility program shall demonstrate by an independent analysis that the nursing care facility can financially support itself at an after tax break-even net income level based on projected occupancy levels.
(c) When making a determination to certify additional beds or an additional nursing care facility program under Subsection (5)(a):
(i) the director shall consider whether the nursing care facility will offer specialized or unique services that are underserved in a service area;
(ii) the director shall consider whether any Medicaid certified beds are subject to a claim by a previous certified program that may reopen under the provisions of Subsections (2) and (3); and
(iii) the director may consider how to add additional capacity to the long-term care delivery system to best meet the needs of Medicaid recipients.

(6) The department shall adopt administrative rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to adjust the Medicaid nursing care facility property reimbursement methodology to:

(a) beginning July 1, 2008, only pay that portion of the property component of rates, representing actual bed usage by Medicaid clients as a percentage of the greater of:

(i) actual occupancy; or

(ii)

(A) for a nursing care facility other than a facility described in Subsection (6)(a)(ii)(B), 85% of total bed capacity; or

(B) for a rural nursing care facility, 65% of total bed capacity; and

(b) beginning July 1, 2008, not allow for increases in reimbursement for property values without major renovation or replacement projects as defined by the department by rule.

(7)

(a) Notwithstanding Subsection 26-18-504(4), if a nursing care facility does not seek Medicaid certification for a bed under the provisions of Subsections (1) through (6), the department shall grant Medicaid certification for a licensed non-Medicaid certified bed if:

(i) the nursing care facility is licensed under Subsection 26-21-23(2)(b);

(ii) the nursing care facility meets the quality of care regulations issued by the Center for Medicare and Medicaid Services;

(iii) the Medicaid certified bed will be used by a patient who:

(A) is a resident of the nursing care facility;

(B) has exhausted the patient's Medicare benefits for skilled nursing services; and

(C) qualifies for Medicaid; and

(iv) the total number of licensed beds in the facility that are granted Medicaid certification under the provisions of this Subsection (7)(a) does not exceed 10% of the total number of licensed beds in the facility.

(b) The department may not revoke the Medicaid certification of a bed under this Subsection (7) as long as the provisions of Subsections (7)(a)(ii) and (iii) are met.

Amended by Chapter 60, 2013 General Session

Extension Options

Revisions Based on Milliman's 12/15/14 Spreadsheet

Healthy Utah							
Newly Eligible	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	72,500	95,000	98,500	100,000	102,000	105,500	109,000
Federal Funds	$ 342,000,000	$ 456,000,000	$ 480,000,000	$ 248,000,000	$ 514,500,000	$ 545,500,000	$ 582,000,000
Net State Funds	$ (13,000,000)	$ (1,000,000)	$ 14,500,000	$ 9,500,000	$ 22,000,000	$ 36,500,000	$ 50,000,000
Woodwork	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	16,500	31,500	32,500	33,000	34,000	35,500	37,000
Federal Funds	$ 24,000,000	$ 46,300,000	$ 50,700,000	$ 26,300,000	$ 55,500,000	$ 60,900,000	$ 65,700,000
Net State Funds	$ 10,600,000	$ 19,700,000	$ 21,400,000	$ 11,200,000	$ 23,000,000	$ 25,200,000	$ 27,800,000
Totals	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	89,000	126,500	131,000	133,000	136,000	141,000	146,000
Federal Funds	$ 366,000,000	$ 502,300,000	$ 530,700,000	$ 274,300,000	$ 570,000,000	$ 606,400,000	$ 647,700,000
Net State Funds	**$ (2,400,000)**	**$ 18,700,000**	**$ 35,900,000**	**$ 20,700,000**	**$ 45,000,000**	**$ 61,700,000**	**$ 77,800,000**

Up to 100% FPL							
Newly Eligible	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	53,000	63,000	64,500	65,000	66,000	68,000	69,500
Federal Funds	$ 183,000,000	$ 235,500,000	$ 253,500,000	$ 131,000,000	$ 272,000,000	$ 291,500,000	$ 313,000,000
Net State Funds	$ 62,000,000	$ 84,500,000	$ 91,500,000	$ 48,000,000	$ 99,500,000	$ 108,000,000	$ 117,000,000
Woodwork	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	11,500	21,500	22,000	22,000	22,500	23,000	23,500
Federal Funds	$ 18,400,000	$ 34,300,000	$ 37,100,000	$ 19,300,000	$ 40,000,000	$ 43,300,000	$ 47,200,000
Net State Funds	$ 8,100,000	$ 14,700,000	$ 15,900,000	$ 8,200,000	$ 17,000,000	$ 18,200,000	$ 19,300,000
Totals	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	64,500	84,500	86,500	87,000	88,500	91,000	93,000
Federal Funds	$ 201,400,000	$ 269,800,000	$ 290,600,000	$ 150,300,000	$ 312,000,000	$ 334,800,000	$ 360,200,000
Net State Funds	**$ 70,100,000**	**$ 99,200,000**	**$ 107,400,000**	**$ 56,200,000**	**$ 116,500,000**	**$ 126,200,000**	**$ 136,300,000**

Milliman Medically Frail Only - 12%							
Newly Eligible	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	6,400	7,500	7,700	7,800	8,000	8,100	8,300
Federal Funds	$ 35,800,000	$ 44,300,000	$ 47,700,000	$ 24,800,000	$ 51,400,000	$ 55,300,000	$ 59,500,000

Net State Funds	$ 15,100,000	$ 18,800,000	$ 20,200,000	$ 10,500,000	$ 21,800,000	$ 23,400,000	$ 25,200,000
Woodwork	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Federal Funds	$ 5,500,000	$ 5,400,000	$ 5,700,000	$ 2,800,000	$ 5,400,000	$ 5,800,000	$ 6,600,000
Net State Funds	$ 1,000,000	$ 2,100,000	$ 2,300,000	$ 1,200,000	$ 2,600,000	$ 2,700,000	$ 2,900,000
Totals	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	8,400	9,500	9,700	9,800	10,000	10,100	10,300
Federal Funds	$ 41,300,000	$ 49,700,000	$ 53,400,000	$ 27,600,000	$ 56,800,000	$ 61,100,000	$ 66,100,000
Net State Funds	**$ 16,100,000**	**$ 20,900,000**	**$ 22,500,000**	**$ 11,700,000**	**$ 24,400,000**	**$ 26,100,000**	**$ 28,100,000**

Milliman Medically Frail Only - up to 30%

Newly Eligible	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	16,000	18,800	19,300	19,500	19,900	20,400	20,800
Federal Funds	79,300,000	128,300,000	137,600,000	52,100,000	155,200,000	167,400,000	262,500,000
Net State Funds	33,400,000	39,900,000	42,700,000	22,100,000	45,700,000	49,100,000	52,900,000
Woodwork	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Federal Funds	5,500,000	5,400,000	5,700,000	2,800,000	5,400,000	5,800,000	6,600,000
Net State Funds	1,000,000	2,100,000	2,300,000	1,200,000	2,600,000	2,700,000	2,900,000
Totals	FY16	FY17	FY18	FY19 Half Year	FY19	FY20	FY21
Enrollment	18,000	20,800	21,300	21,500	21,900	22,400	22,800
Federal Funds	$ 84,800,000	$ 133,700,000	$ 143,300,000	$ 54,900,000	$ 160,600,000	$ 173,200,000	$ 269,100,000
Net State Funds	**$ 34,400,000**	**$ 42,000,000**	**$ 45,000,000**	**$ 23,300,000**	**$ 48,300,000**	**$ 51,800,000**	**$ 55,800,000**

Footnotes

(1) Time constraints - Upon review by staff, the original Milliman report had some errors. An updated report from Milliman was provided Monday 12/15/14 at 1:19 pm. Staff was asked to provide a consensus estimate based on the updated figures by Tuesday 12/16/14 at 8 a.m.

(2) All options are strictly service costs and do not include any costs for administration. Administrative costs would be about $1 to $2 million General Fund.

(3) Milliman did not estimate state savings, these savings were estimated by staff. Staff did not include savings for Medically Frail scenarios because savings estimates often involved policy decisions (e.g., would the state continue to operate PCN?)

(4) Changes in Milliman report since 12/1/14 Version: (A) decreases to PMPM - removal of 14% administrative load for Medicaid PMPMs, removal of cost sharing reduction to 2015 Medicaid rates and (2) increases to PMPM - increase PMPM for children above 100% FPL on ESI and QHP to same as children below 100% FPL and add dental coverage to Medicaid benefits for children.

(5) Future year scenarios of FY 2019 through FY 2021 continued Milliman's growth assumptions of population and PMPM (5%) into future years.

(6) Some woodwork effect has been added by staff to all scenarios.

(7) The up to 30% frail scenario assumes PMPM cost as an average of the 12% frail group and regular adults.

(8) Milliman estimated the enrollment and cost of Healthy Utah. Staff developed the other scenarios based on Milliman data.