

**UTAH DEPARTMENT OF HEALTH  
Medicaid**

**Item #O117 (Add Back Rank #70) DOH – Medicaid Cost Containment**

This item shows the need to increase funding to the Medicaid program by an annual amount of \$4.4 million dollars to accomplish a Medicaid cost containment idea. If intended to be funded as described in the base budget, then it should be removed because we don't want to pursue a "cost containment" program that **increases** costs by \$4.4 million a year. It appears that the attempt was to fund a one-time expenditure of \$6.3 million to pay for incurred claims under the old contract and return annual savings of \$1.9 million through a higher match rate on a new contract type. The Department estimates the one-time expenditure would be actually \$9.5 million, but agrees with the projected annual savings figure because item #O113 (Add Back Rank #58) would reduce the admin rate and consequently the potential savings from the change.

**Item #O134 (Add Back Rank #32) DOH - Restore Tobacco Drugs for Pregnant Women on Medicaid**

This items attempts to add back to the Medicaid budget \$89,700 to cover tobacco cessation drugs for pregnant women on Medicaid, but those drugs are already covered for pregnant women on the Medicaid program. This item is not needed.

**Item #O89 (Add Back Rank #26) DOH – Children’s Health Insurance Program (HB 326, 2008)**

This item would seek to repeal the statute passed last legislative session keeping the CHIP program open for continuous enrollment. This would be a policy directly conflicting with the Governor’s initiative to cover more uninsured children.

**Item #B72 (Add Back Rank #1) DOH – Medicaid Restricted Account Fund Balance - Partial**

This item takes one-time money out of the Medicaid Restricted Account Fund in FY 2009 and asks the Department to repay it in ongoing funds out of the FY 2010 base. There is no requirement to repay a one-time appropriation, much less repay it on an ongoing basis. The amount artificially inflates the target cut figures for the subcommittee.

**General Comment**

The federal stimulus package for Medicaid is contingent upon states not cutting eligibility or imposing more stringent eligibility standards than were in place July 1, 2008 and if they have to restore them by June 30, 2009. The following items in the base budget would make the state ineligible for the federal stimulus money for Medicaid unless removed from the list:

- O85 (Add Back Rank #42)
- O86 (Add Back Rank #40)
- O72 (Add Back Rank #22)
- B59 (Add Back Rank #6)
- B56 (Add Back Rank #5)

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