



News Release

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UHPH's Statement on Governor Herbert's Budget Recommendations

Salt Lake City- Today marks the much anticipated release of Governor Gary Herbert's budget recommendations. For the first time, revenues are in the black, though only to the tune of \$216 million. A good portion of the surplus (\$50 million) goes to fund enrollment growth in education, while \$100 million will be retained in the Rainy Day Fund. The remainder will go to maintain Higher Education, caseload growth in Medicaid and CHIP, and public health and health promotion initiatives.

General Comment on HHS items

"We are pleased to see sufficient funding for caseload growth, both in Medicaid and CHIP. This approach is preferable to legislative leaders plan to 'starve the beast' by the amount (\$30 million) they want the Medicaid Division to find in fraud prevention."

Optional Medicaid Services: Audiology and Eyeglasses

"We realize the issue may be symbolic at this point, but given the miniscule cost of restoring critical Medicaid services like audiology (\$135,000) and eyeglasses (\$187,000), this would have been a good year to restore these along with the dental services (\$2 million for aged/blind/disabled)."

Provider Inflation

"The Governor's budget addresses only mandatory provider increases. We might have liked to see some focus on the physicians' and mental health providers' rates, which are not where they need to be to support timely access to care. If, as we expect, the February revenue projections are even more positive, these and the above areas should be given top consideration. If we could just connect our decision making on the budget to our health reform priorities, we would take a hard look at what we are paying providers and adjust accordingly."

Proven cost management strategies could have used a boost...

"To help offset some of the above investments, the Governor's Budget might have supported this year's main proposals for limiting cost growth in Medicaid. For example, Sen. Allen Christensen is sponsoring legislation to include psychotropics on the preferred drug list, potentially saving Medicaid millions in general funds. Along the same lines, Sen. Ben McAdams has filed legislation to include a Qui Tam mechanism in the toolbox for fighting fraud. This 'whistleblower' provision provides a gateway to those who witness fraud to report it to authorities. It could save Medicaid \$1 million or more per year." See UHPH's new [Navigator](#) for details and other cost management ideas.

Rainy Day Fund

"But we can't have everything when there is only \$216 in surplus. We must be mindful of the need to replenish our Rainy Day Fund, as the Governor proposes for \$100 million. That fund has been there for Medicaid in hard times, and this is why we are pleased to see some intent to build it back up."

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