



FY2010 Potential Utah Medicaid Cuts

A 15%, or \$48 million dollar, General Fund cut to Utah's Medicaid program would translate to a loss of \$122 million in Federal Medicaid funding for fiscal year 2010. Further, a cut of this magnitude will likely mean forfeiting somewhere between \$175 million and \$315 million in federal economic recovery money because Utah will likely fail to meet the economic recovery plan's maintenance of effort requirements. Utah already ranks 49th in per-capita Medicaid spending. A 15% cut to Utah's Medicaid program will leave Utah with the barest safety net program in the country. It will force the state to eliminate or close enrollment to the following important programs:

Utah Work Incentive Program (General Fund -\$600,000 ; Federal Money- \$1,520,000; Potential Economic Recovery - \$48,000)

The Medicaid Work Incentive (MWI) is designed to allow people with disabilities to be able to work and earn up to 250% of poverty without losing their Medicaid health care benefits. In return for allowing an individual to earn a higher income, MWI requires the beneficiary to pay a premium for a Medicaid services. Depending on income and assets, the premium can be up to \$15,000 per year. Elimination of MWI will mean that many Utah disabled adults will be forced to give up their jobs and, thus, their independence. Without income these people will not be able to afford rent and other basic needs and will have no choice but to seek institutionalized care.

Utah Medicaid Cancer Program (General Fund -\$1.2 million ; Federal Money- \$3 million; Potential Economic Recovery - \$96,000)

The Medicaid Cancer Program helps poor women who have been diagnosed with breast or cervical cancer pay their medical bills.

Medicaid Medically Needy Program (General Fund -\$9.4 million ; Federal Money- \$24 million; Potential Economic Recovery - \$756,000)

The Medically Needy or "spend down program" provides a pathway to Medicaid coverage for low income people who have extensive health care needs, yet who start out with too much income to receive cash assistance benefits. The opportunity to spend down is particularly important to elderly individuals residing in nursing facilities and children and adults with disabilities who live in the community and incur high prescription drug, medical equipment, or other health care expenses.

Closing Utah Primary Care Network (General Fund -\$3 million; Federal Money- \$7.5million; Potential Economic Recovery - \$140,000)

Utah's Primary Care Network (PCN) program provides primary care, wellness care, and limited drug benefits to low income parents and adults. The program does not cover hospital care or specialty care. There are currently approximately 20,000 Utahns on PCN. However, PCN has been closed to new enrollees since July 2008 and there are currently no plans to accept new applications.

Baby your Baby (General Fund -\$866,400; Federal Money- \$2.2million; Potential Economic Recovery - \$69,000)

The Baby your Baby program encourages low income pregnant women to seek early and continuous prenatal care, beginning in the first trimester of their pregnancy. Early and continuous prenatal care is important to the future health of both the newborn and the mother.

Reducing Age, Blind, Disabled eligibility for 100% of Poverty to SSI (General Fund -\$2.1 million; Federal Money- \$5.3million; Potential Economic Recovery - \$168,000)

The federal government requires Medicaid to provide coverage to elderly, disabled, adults with income and assets at or below the Social Security Income (SSI) benefit level or approximately 75% of the federal poverty level (FPL) . Utah, like most states, has increased eligibility to the FPL (\$10,400 for an individual). Providing only the federally required benefit can cause disabled adults who have part-time jobs or limited assets to face losing their Medicaid eligibility.

Reducing Asset Limit for Pregnant Women (General Fund -\$3 million; Federal Money- \$7.7 million; Potential Economic Recovery - \$245,760)

Currently low-income pregnant women with income less than 133% of poverty can have assets of up to \$5,000 and remain eligible for Medicaid. This proposal would reduce the asset level to \$3,000. The Department of Health estimates that this change will affect approximately 5,600 women per year.

Eliminate the Vehicle Exemption to the Asset Test (General Fund -\$1.2 million; Federal Money- \$3 million; Potential Economic Recovery - \$96,792)

Currently, Medicaid excludes from consideration a single vehicle that is used to commute to work or to medical appointments from the asset test. This proposal would eliminate this exemption. This would make it more difficult for Medicaid enrollees to hold down a job and creates another obstacle to families as they work to become self-sufficient.

Provider Reimbursement Rate Decreases or Assessments (General Fund -\$27 million; Federal Money- \$68 million; Potential Economic Recovery - \$2.1 million)

Health care experts in Utah are already warning that because of current low provider rates there could be widespread lack of access to care for Medicaid beneficiaries. According to the Utah Department of Health, of the 4,700 estimated physicians practicing in the state, 3,540 billed Medicaid for services in fiscal year 2007, compared with 4,210 in 2000, a 16% decline. The number of dentists who treat Medicaid beneficiaries also has decreased by 14% since 2000. A cut of this magnitude will increase the number of providers who refuse to see people on Medicaid.