



How the Medicaid Expansion Option Benefits Social Services Funding Requests

(Updated: February 26, 2013)

UHP wants to carefully study the costs and benefits of the Medicaid expansion. We are looking forward to the results of the PCG study and the future commission process. However, as the appropriations process moves to the next stage (Executive Appropriations), we want to call attention to items on the SSA priority list where the cost would be eliminated or reduced if Utah joined the Medicaid expansion.

The cost to administer the Medicaid expansion is estimated to be \$3.8 million in state funds for FY 2014. This amount is partially offset by the budget items listed below. In addition, these offsets do not register the additional savings in uncompensated care and [economic impacts](#). Given state leaders' concerns about sequestration (automatic federal spending cuts), these potential offsets created by the Medicaid expansion could give Utah more budgetary flexibility. On February 22, all but one member of SSA committee voted to revisit these budget items once the PCG study is available and the full impact of the Medicaid expansion can be evaluated.

Budget Item (Ongoing List)	State Cost	Relationship to Medicaid Expansion
Mental Health Early Intervention for Children/Youth (DHS)	\$3.5 million	Children and youth mental health promotion and mental illness prevention funded during the 2012 General Session. <i>UHP:</i> Some of the youth's portion could be offset by the expansion.
Local Mental Health Authority Medicaid Match (DHS)	\$4.48 million	Many local MH authorities are struggling to provide the Medicaid match with limited state and local county revenue. <i>UHP:</i> Expanding Medicaid is a cost effective tool for local officials to address mental health and substance abuse needs. Currently, most county funds used to treat uninsured Utahns must be used for Medicaid match.
Drug Courts	\$2.4 million	Drug courts provide coordinated treatment, community supervision, and intensive judicial review to people with substance use disorders. <i>UHP:</i> Substance abuse treatment, mental health benefits, and Medicaid continuity of care available with the Medicaid expansion covers these services. Currently 80% of current drug court individuals would qualify for the Medicaid expansion
Youth Aging out of DCFS Custody	\$1 million	Maintain youth with intellectual disabilities on Medicaid who age out of DCFS custody. <i>UHP:</i> Some of these youth could be covered less expensively by Medicaid expansion.
ACA Mandatory CHIP to Medicaid Expansion (mandatory)	\$2.3 million	Shift of 66% of CHIP kids onto Medicaid due to elimination of asset test for ages 6-18. <i>UHP:</i> This amount could actually be higher due to research that kids are more likely to get coverage when parents are covered. ⁱ
Federal Pre-Admission Screening and Resident Review (DHS)	\$62,800	Ensure that individuals with mental illness or intellectual disabilities who have no substantial impairments are not warehoused in nursing facilities. <i>UHP:</i> The screening may be reimbursable through Medicaid under expansion.
State Hospital: Restore Funding Loss Due to ACA (DHS)	\$47,700	Hospital funding loss resulting from cost-savings in the Affordable Care Act. <i>UHP:</i> The ACA reduces DHS payments because a portion of that cost would be relieved if patients have access to Medicaid coverage.

ⁱ Center on Budget and Policy Priorities and Georgetown University Center for Children and Families, "Expanding Coverage for Parents Helps Children," July, 2012. <http://www.cbpp.org/files/expanding-coverage-for-parents-helps-children7-13.pdf>