Sustainable Funding Options for Expanded Coverage

Assess health care providers that will receive increased payments from the increase in the number of covered individuals - $12 M Annually

- The PCG study estimated that expanded coverage could relieve an estimated $814 M of uncompensated care in Utah over the first ten years. Our state currently imposes a 1.15% assessment on hospitals and has statutory capacity to assess up to 6%. A modest increase of the assessment from 1.15% to 1.35% would provide an estimated $12 M in new revenue annually.

Savings to public assistance programs - $18.7 M Annually (Average)

- According to the PCG study, Utah could see $187 M (Scenarios 2 and 3) in savings to current public assistance programs over the first ten years of expanded coverage. Roughly 79% of these savings come from state public assistance programs while the remainder comes from county public assistance programs. Savings could be invested in a restricted account for use in future years.

New tax revenues created from new federal spending - $15.4-20.3 M Annually (Average)

- According to the PCG Study, Utah could see between $154 M (Scenario 3) and $203 M (Scenario 2) in new tax revenues to the state and counties over the first ten years of expanded coverage. Roughly 56% of these revenues are attributed to new state revenues while the remainder is new county revenues. Identifiable revenue streams could be directed into a restricted account for use in future years.

Re-appropriate savings from programs paid for at lower match rates - $6.2 M Annually

- Some programs currently offered in Utah may become duplicative or unnecessary with expanded coverage. By reinvesting those state funds used to provide healthcare in Utah with the new enhanced match we can sustain the ongoing cost of the new coverage.
  - Primary Care Network and Utah Premium Partnership – $5.8 M annually
  - Primary Care Grants - $400,000 Annually

Master Settlement Agreement (MSA) or the Tobacco Settlement Payments - $14.5 M Annually

- By reversing a 2011 diversion of tobacco settlement funds to the general fund, we could allocate $14.5 M annually toward expanding coverage. The permanent State Trust Fund has also accumulated over $100 M since FY2000 that could be utilized.