

## Issue Brief – Medicaid Restricted Account

DEPARTMENT OF HEALTH

DOH-09-17

### SUMMARY

The Medicaid Restricted Account within the Department of Health receives unexpended General Fund monies from the Medical Assistance and Health Care Financing Line Items. One reason for unexpended funds is actual caseloads coming in lower than budgeted. Utah Code directs that funds expended from the Medicaid Restricted Account may be appropriated by the Legislature to expand medical assistance coverage beyond the traditional Medicaid qualifications. As of January 5, 2008, the unencumbered and available fund balance was \$8,072,200.

### OBJECTIVE

The Legislature has funds available in the Medicaid Restricted Account that may be used for a variety of purposes. If the balance of the fund is not reduced, then the annual interest earning on the fund may exceed \$400,000.

### DISCUSSION AND ANALYSIS

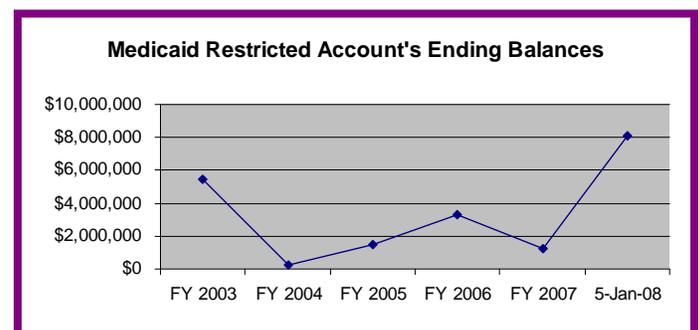
#### *What is the fund?*

Utah Code 26-18-402. Medicaid Restricted Account.

- (1) There is created a restricted account in the General Fund known as the Medicaid Restricted Account.
- (2) (a) Any general funds appropriated to the department for the state plan for medical assistance or for the Division of Health Care Financing that are not expended by the department in the fiscal year for which the general funds were appropriated and which are not otherwise designated as nonlapsing shall lapse into the Medicaid Restricted Account.
- (b) The account shall earn interest and all interest earned shall be deposited into the account.
- (c) The Legislature may appropriate monies in the restricted account to fund programs that expand medical assistance coverage and private health insurance plans to low income persons who have not traditionally been served by Medicaid, including the Utah Children's Health Insurance Program created in Chapter 40.

#### *Where does the funds' money come from?*

Any funds unexpended in the Medical Assistance and Health Care Financing Line Item lapse into the account. By statute, any interest earned on these monies also remains in this account. Interest earnings for FY 2007 were approximately \$69,000, however due to agency oversight, the earnings were reported as part of the State General Fund surplus for FY 2007. As of January 5, 2008, the unencumbered fund balance was \$8,072,200. Interest earnings on the account could exceed \$400,000 for FY 2008. The chart to the right details the account's ending balances for the last 5 years and the most recent unencumbered balance as of January 5, 2008.



#### *What can the fund be used for?*

Utah Code directs that the monies may be appropriated by the Legislature to expand medical assistance coverage to those low income persons not traditionally covered by Medicaid qualification criteria. Utah Code specifically mentions Utah Children's Health Insurance Program as one option for using the money. A few examples of past appropriations from this fund include:

- 1) \$2,090,200 one-time FY 2007 supplemental to pay the lawsuit settlement approved by the Attorney General, the Governor and the Legislative Management Committee with the Rocky Mountain Group nursing homes.
- 2) \$565,000 one-time in FY 2008 to offset the loss of the Federal Reimbursed Overhead to the Executive Director's Office of Health from the transfer Medicaid Eligibility Systems to the Department of Workforce Services.
- 3) \$1,000,000 one-time in FY 2008 to help fund a design study of a new Medicaid Management Information System.