



ARRA FUNDS APPROVAL – DEPARTMENT OF HEALTH

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: RUSSELL FRANSEN

ISSUE BRIEF

SUMMARY

The Legislature expressed interest in reviewing the federal stimulus or *American Reinvestment and Recovery Act* (ARRA) money separate from the annual review of federal funds. This brief fulfills that request. This brief also reviews the \$107,644,200 ARRA money received in FY 2011 and ARRA money previously approved for FY 2012. The Analyst recommends approval of the increases in ARRA funding of \$27,574,900 for FY 2012 and \$75,721,200 for FY 2013 as well as the proposed intent language associated with the FY 2013 increase.

DISCUSSION AND ANALYSIS

Limitations on ARRA Spending

All of the money passed in FY 2011 and FY 2012 is subject to the following conditions, as established via intent language for each appropriation of ARRA funds:

All General Funds appropriated to the Department of Health - Executive Director's Operations line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriations bills passed for FY 2012. If expenditures in this line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to this line item from Federal Funds - American Recovery and Reinvestment Act in FY 2012, the Division of Finance shall reduce the General Fund allocations to this line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

For FY 2013 the Analyst recommends adoption of the following language for every line item where ARRA money is anticipated:

All General Funds appropriated to the Department of (agency name) - (line item name) line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2013. If expenditures in the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act in FY 2013, the Division of Finance shall reduce the General Fund allocations to the (line item name) line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

FY 2011 Stimulus Funds – Received vs Approved

The table below details the ARRA money approved vs the ARRA money received in FY 2011.

ARRA in FY 2011	Approved	Received	Higher/(Lower) Than Anticipated
Medicaid Mandatory Services	\$61,418,900	\$71,594,400	\$10,175,500
Medicaid Optional Services	\$29,674,900	\$29,401,600	(\$273,300)
Family Health and Preparedness	\$5,580,200	\$2,655,000	(\$2,925,200)
Executive Director's Operations	\$3,230,400	\$2,283,900	(\$946,500)
Disease Control and Prevention	\$9,081,900	\$1,525,100	(\$7,556,800)
Health Care Financing	\$0	\$184,200	\$184,200
Total	\$108,986,300	\$107,644,200	(\$1,342,100)

As noted in the table above, the Department of Health recorded receiving \$1,342,100 less ARRA money than was approved by the Legislature.

FY 2011 Stimulus Funds – How Was the Money Used?

The money in FY 2011 was used for the following:

1. \$100,996,000 in **Medicaid Mandatory Services & Medicaid Optional Services** – used for caseload growth, forced inflation, and to restore dental rates retroactively to May 2009 due to federal rejection of most of a dental rate decrease.
2. \$2,655,000 in Family Health and Preparedness – **Baby Watch/Early Intervention Program** received \$2,508,300 for training, a hearing aid loaner bank, the development of a web-based data system, increased services, and computers and equipment for contracted providers. The **Women, Infant, and Children (WIC) program** received \$99,900 for purchasing laptops and training kiosks for WIC clinics. \$46,800 to increase the current frequency of onsite inspections of **Ambulatory Surgical Centers** from every six years to every three.
3. \$2,283,900 in Executive Director's Operations – **Health Information Technology** – expand participation in Utah's Clinical Health Exchange system.
4. \$1,525,100 in Disease Control and Prevention – **Prevention Activities** – \$702,100 for prevention activities for tobacco use, diabetes, and obesity. **Immunization Registry Coordination** - \$650,800 to improve the interoperability between medical providers and the Utah Statewide Immunization Information System. **Healthcare Associated Infections** - \$100,200 to study healthcare associated infections. The agency used the money to start to develop a statewide infection prevention plan. **Vaccine Effectiveness Study** – \$72,000 to measure the effectiveness of a new pneumococcal vaccine.
5. \$184,200 in Health Care Financing – **Health Information Technology** for expanding participation in and sharing of electronic health records.

FY 2012 Stimulus Funds – Previously Approved

1. \$2,034,300 for Family Health and Preparedness Services for increased services in **Baby Watch/Early Intervention** as well as training and technology upgrades.
2. Executive Director's Operations – **Health Information Technology** - \$1,775,800 to expand participation in Utah's Clinical Health Exchange System. The money will also be used to support and develop the statewide Master Patient Index.
3. \$1,189,900 for **Disease Control and Prevention** for ten different grants, but primarily for electronic health records improvements, improve online information access for providers to immunization records, tobacco quit line outreach, and arthritis self-management and education.

Stimulus Funds FY 2012 & FY 2013 – Requesting Approval

1. Medicaid Optional Services – **Health Information Technology** – \$25,000,000 in FY 2012 and \$74,000,000 in FY 2013 for payments to health care providers for adopting electronic health care records and achieving meaningful use.
2. Family Health and Preparedness Services – \$250,000 in FY 2012 and \$435,900 in FY 2013 to create a comprehensive **early childhood data warehouse**. \$259,500 in FY 2012 for increased services, training and technology upgrades in the **Baby Watch/Early Intervention Program**.
3. Executive Director's Operations – **Health Information Technology** – \$1,356,900 in FY 2012 and \$822,000 in FY 2013 to expand participation in Utah's Clinical Health Exchange system, create the supports needed for a statewide Master Patient Index, and develop systems for sharing the electronic health information of patients with chronic conditions amongst providers.
4. Health Care Financing – **Health Information Technology** – \$708,500 in FY 2012 and \$463,300 in FY2013 for expanding participation in and sharing of electronic health records.
5. Disease Control and Prevention – \$81,700 in FY 2013 to improve the interoperability between medical providers and the Utah Statewide Immunization Information System.

ARRA in FY 2012	Already Approved	Change Requested
Medicaid Optional Services	\$0	\$ 25,000,000
Family Health and Preparedness Services	\$2,034,300	\$ 509,500
Health Care Financing	\$0	\$ 708,500
Executive Director's Operations	\$1,775,800	\$ 1,356,900
Disease Control and Prevention	\$1,189,900	\$ -
Total	\$5,000,000	\$27,574,900

The FY 2012 approved amount of \$5,000,000 reflects what was approved at the conclusion of the 2011 General Session. As is done annually with all funding sources, the agency has updated their estimated ARRA funds for FY 2012. In this case the estimated funds increased by \$27,574,900. The table above shows additional ARRA funds by line item.

The Department of Health of requests a total of \$75,721,200 ARRA funds for FY 2013 in the line items shown in the table below:

ARRA in FY 2013	Request
Medicaid Optional Services	\$74,000,000
Executive Director's Operations	\$740,300
Health Care Financing	\$463,300
Family Health and Preparedness Services	\$435,900
Disease Control and Prevention	\$81,700
Total	\$75,721,200

Additional information on all ARRA funds used in Utah

- www.recovery.utah.gov
- www.recovery.gov

LEGISLATIVE ACTION

The Executive Appropriations Committee requests that each subcommittee decide whether or not to accept new ARRA funding for FY 2012 and FY 2013.

1. The Analyst recommends that the Social Services Appropriations Subcommittee approve increased ARRA funds of \$27,574,900 for FY 2012 and \$75,721,200 for FY 2013 as detailed above for the Department of Health.
2. The Analyst recommends the adoption of the intent language on page one for all line items with ARRA funding in FY 2013.