

UtahAccess+ Cost Shares

| | B | C | D | E | J | K | L | O | S | T |
|----|---|--|---------------|------------------------------------|--------------------------------|---|---|----------------------|-------------------------------|-------------------------------|
| 1 | Provider Service Class (Per Federal Regulation) | Who/What | # of Entities | Method | Total Annual Target FY 17 & 18 | FY 17 & 18 Annual Minimum Tax Liability | FY 17 & 18 Annual Maximum Tax Liability | Total Target FY 2021 | FY 2021 Minimum Tax Liability | FY 2021 Maximum Tax Liability |
| 3 | Outpatient Hospital | Hospitals | 63 | Assessment | \$9,330,700 | \$10 | \$2,622,000 | \$13,652,400 | \$20 | \$3,840,000 |
| 4 | Inpatient Hospital | Hospitals | 63 | Assessment | \$6,768,300 | \$1,600 | \$1,884,300 | \$9,903,100 | \$2,300 | \$2,760,000 |
| 5 | Physician | Physicians, Surgeons, Osteopathic, Naturopathic, and Physician Assistants | 8,008 | Licensing Fee | \$6,384,600 | \$797 | \$797 | \$9,341,600 | \$1,170 | \$1,170 |
| 6 | Outpatient Prescription Drugs | Pharmacy Benefit Managers, Pharmacies, and Drug Manufacturers | 1,503 | Gross Receipts Tax | \$4,415,400 | \$7 | \$510,000 | \$4,304,100 | \$7 | \$490,000 |
| 7 | Outpatient Prescription Drugs | Drug Manufacturers | N/A | Preferred Drug List | \$850,000 | N/A | N/A | \$3,400,000 | N/A | N/A |
| 8 | Managed Care Organization | Health Plans (Individual) | 25 | Premium Tax | \$2,512,600 | \$0 | \$1,360,000 | \$3,676,300 | \$0 | \$1,990,000 |
| 9 | Managed Care Organization | Health Plans (Small and Large Group) | 17 | Premium Tax | \$697,900 | \$2 | \$280,000 | \$1,021,200 | \$6 | \$1,020,000 |
| 10 | Managed Care Organization | Stop Loss Insurers | 40 | Premium Tax | \$279,200 | \$5 | \$90,000 | \$408,500 | \$7 | \$140,000 |
| 11 | Psychological | Residential Treatment Centers, Recovery Residences, Psychologists, and Certified / Clinical Social Workers | 5,168 | Licensing Fee + Gross Receipts Tax | \$2,314,600 | \$50 | \$70,000 | \$3,386,600 | \$50 | \$100,000 |
| 12 | Home Health Care | Home Health Agencies, Durable Medical Equipment, and Medical Suppliers | 1,001 | Gross Receipts Tax | \$431,400 | \$1 | \$70,000 | \$631,200 | \$1 | \$110,000 |

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| 1 | Provider Service Class (Per Federal Regulation) | Who/What | # of Entities | Method | Total Annual Target FY 17 & 18 | FY 17 & 18 Annual Minimum Tax Liability | FY 17 & 18 Annual Maximum Tax Liability | Total Target FY 2021 | FY 2021 Minimum Tax Liability | FY 2021 Maximum Tax Liability |
| 13 | Ambulatory Surgical Center | Ambulatory Surgical Centers | 46 | Gross Receipts Tax | \$353,500 | \$6 | \$320,000 | \$475,500 | \$9 | \$430,000 |
| 14 | Freestanding Laboratory and X-Ray | Freestanding Clinical Labs, X-Ray Facilities | 160 | Gross Receipts Tax | \$234,400 | \$3 | \$180,000 | \$319,800 | \$4 | \$240,000 |
| 15 | Emergency Ambulance | Ambulance Service Providers | 80 | Assessment | \$197,600 | \$50 | \$33,600 | \$289,100 | \$70 | \$50,000 |
| 16 | Therapist | Physical Therapists, Occupational Therapists, Speech Therapists, Audiologists, and Respiratory Care Practitioners | 4,731 | Licensing Fee | \$148,900 | \$31 | \$31 | \$217,800 | \$50 | \$50 |
| 17 | Podiatric | Podiatric Physicians | 160 | Licensing Fee | \$94,800 | \$593 | \$593 | \$138,700 | \$870 | \$870 |
| 18 | Optometric/Optician | Optometrists | 360 | Licensing Fee | \$88,000 | \$244 | \$244 | \$128,800 | \$360 | \$360 |
| 19 | Chiropractic | Chiropractic Physicians | 806 | Licensing Fee | \$77,800 | \$97 | \$97 | \$113,800 | \$140 | \$140 |
| 20 | Nursing Facility | Nursing Homes | 100 | Assessment | \$61,000 | \$2 | \$1,607 | \$89,200 | \$3 | \$2,300 |
| 21 | Nursing | Personal Care Agencies, Certified Nurse Midwives, Registered Nurses, Nurse Anesthetists, Licensed Practical and Vocational Nurses, and Advanced Practice Registered Nurses | 31,801 | Licensing Fee | \$47,500 | \$1.49 | \$1.49 | \$69,500 | \$2 | \$2 |
| 22 | Total | | 54,132 | | \$35,288,200 | | | \$51,567,200 | | |

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| 23 | Assumptions/Notes: | | | | | | | | | |
| 24 | The assessment level by provider class is based primarily on PEHP's non-Medicare claims for its member ages 18-64 by provider category from calendar year 2014. The utilization of psychological services is based on Milliman's estimate. | | | | | | | | | |
| 25 | Other adjustments to the PEHP data include: (1) removing savings associated with the Justice Reinvestment Initiative due to Medicaid expansion and (2) 10% administrative costs for managed health care plans. | | | | | | | | | |
| 26 | When comparing the PEHP break out to Medicaid spending on adults, PEHP does not have the following separate provider categories: (1) rural health clinics, (2) buy out, and (3) federally-qualified health centers. | | | | | | | | | |
| 27 | In order to meet federal requirements for uniformity in provider assessments all providers within each group would be assessed in the same manner. | | | | | | | | | |
| 28 | The physician provider count is based on physicians (and physician assistants) holding a license to prescribe controlled substances. | | | | | | | | | |
| 29 | Assessments on professionals would exclude inactive licenses and those only providing charity care. | | | | | | | | | |
| 30 | Provider (entity) counts for professional services categories include those professionals with addresses within Utah (out of state addresses with license renewals are excluded in the entity count). | | | | | | | | | |
| 31 | Staff assumed the managed care organization gross revenues by subgroup from expansion based on Milliman's estimate of 72% of costs projected to be spent on qualified health plans (individual plans). Another 8% of costs is projected for employer sponsored insurance (stop loss insurance). Final 20% on traditional Medicaid via accountable care organizations (small and large group). | | | | | | | | | |
| 32 | The ongoing administrative cost with collecting the provider assessments is included in the target figures and ranges from \$400,000 for FY 17/18 to \$500,000 for FY 21. | | | | | | | | | |
| 33 | There is \$4.0 million in one-time administrative costs associated with starting and setting up these providers assessments. | | | | | | | | | |
| 34 | The estimated state administrative cost for collections on providers are rough estimates from the assigned state agency prior to talking to any other entities. | | | | | | | | | |
| 35 | The proposed collection systems are an attempt by staff to use an existing state-business/individual relationship to collect the desired assessment. Some charges could be a surcharge added to existing licensing fees. For licensing fees collected bi-annually, the tax liability for two years would be collected at licensing. | | | | | | | | | |
| 36 | All "licensing fees" in the "method" column would be collected bi-annually with the regular licensing cycle, so the amount paid at licensing would be for two years (twice the amount listed in the annual tax liabilities column). | | | | | | | | | |
| 37 | The federal government limits provider assessments two ways (1) no more than 25% of all state match can come from private provider assessments (although according to CMS this rule is not currently enforced) and (2) cannot charge more than 6% of provider revenues. | | | | | | | | | |
| 38 | The federal government is currently not enforcing the 25% limitation on the state's share of funding coming from the collection of provider taxes. The federal statute is ambiguous as to whether the 25% limitations still applies. A cautious approach would suggest that the state stay within the 25% limitation. | | | | | | | | | |
| 39 | The current provider assessment levels are (1) private hospitals 1.8%, (2) nursing homes 6%, (3) intermediate care facilities 5.3%, and (4) ambulance providers 1.7%. | | | | | | | | | |
| 40 | The current hospital assessment excludes the University of Utah and other government-affiliated hospitals. Those hospitals pay via an intergovernmental transfer. | | | | | | | | | |

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| 41 | FY 2016 projected total assessments from private providers for services (before expansion) are \$80.3 million. 25% of all state match for FY 2017 (estimated) Medicaid actuals is \$200 million vs total projected assessments under this model of \$115 million or 14% with \$85 million in room for more assessments. By FY 2021 25% of state match is projected at \$260 million vs projected use of \$145 million or 14% with \$115 million in room for more assessments. These figures currently include new hospital assessments including the University of Utah system (\$5 million in FY 2017/2018 and \$7 million in FY 2021) which has the option of being done as an intergovernmental transfer and not counted against the cap. | | | | | | | | | |
| 42 | The PEHP data indicated that the following provider service classes would not receive significant increased revenues from Medicaid expansion and therefore not pay any assessments: intermediate care facility for individuals with intellectual disabilities and dental. | | | | | | | | | |
| 43 | Some fees where the recoupment per provider is smaller, a flat fee would be assessed where larger amounts per provider would be done based on gross receipts or some other measure of provider volume. | | | | | | | | | |
| 44 | Gross receipts taxes cannot be applied to payments received from the federal government for medical services. Currently the min/max tax liability figures include revenues from all sources. | | | | | | | | | |
| 45 | | | | | | | | | | |
| 46 | Definitions for "Method" Column: | | | | | | | | | |
| 47 | Assessment - proposed surcharge to existing facility licensing fees to be collected by licensing agency (Departments of Health). | | | | | | | | | |
| 48 | Gross receipts tax - new tax based on the gross receipts of a business/individual. | | | | | | | | | |
| 49 | Licensing fee - proposed surcharge to existing professional fees, these are currently charged every two years by the Department of Commerce or annually by the Department of Human Services (some of its licenses are on a bi-annual schedule). | | | | | | | | | |
| 50 | Premium tax - new tax on a health plan's premiums to be collected by the Tax Commission or the Department of Insurance. | | | | | | | | | |
| 51 | | | | | | | | | | |
| 52 | Sources: | | | | | | | | | |
| 53 | LFA calculations based on Tax Commission, DWS, BLS, and Moody's data | | | | | | | | | |
| 54 | Milliman file for S.B. 164 fiscal note from 2015 General Session | | | | | | | | | |
| 55 | https://medicaid.utah.gov/Documents/pdfs/annual%20reports/medicaid%20annual%20reports/MedicaidAnnualReport_2014.pdf | | | | | | | | | |
| 56 | https://insurance.utah.gov/health/documents/2014HlthInsMrktRpt.pdf | | | | | | | | | |
| 57 | http://le.utah.gov/interim/2015/pdf/00001182.pdf | | | | | | | | | |
| 58 | http://le.utah.gov/interim/2015/pdf/00001318.pdf | | | | | | | | | |
| 59 | U.S. Census Bureau, Economic Census and Moody's Investor Services. Data are available for various years, depending on the industry. Projections by Fiscal Analyst. | | | | | | | | | |
| 60 | http://hslic.utah.gov/db-search/ | | | | | | | | | |
| 61 | RAND Corporation and Federal Form 5500 | | | | | | | | | |
| 62 | Milliman memorandums July 2014 | | | | | | | | | |
| 63 | Information provided by the Department of Health July to September 2015 | | | | | | | | | |
| 64 | Information provided by the Division of Occupational and Professional Licensing July to September 2015 | | | | | | | | | |
| 65 | Information provided by the Tax Commission August 2015 | | | | | | | | | |
| 66 | Information provided by the Department of Insurance September 2015 | | | | | | | | | |
| 67 | Information provided by the Department of Human Services September 2015 | | | | | | | | | |