



10-05-2010 COMMISSIONERS' COURT MEETING

Agenda Discussion Item

Discussion Item: Indigent Health Care (UPL) Contribution
Discussion Item No.: 12.B (AI-23300)

Hidalgo County has participated in the Upper Payment Limit (UPL) Program as a means to provide health care services to the County's indigent population since Program fiscal year 2006-07.

Under the UPL Program, Hidalgo County contributes an amount approved by Commissioners' Court into the Program which in turn is leveraged by the State of Texas to obtain federal Medicaid matching funds. The County contribution into the UPL Program for program fiscal year's 2006-07, 2007-08, 2008-09, and 2009-10 has been \$8.5 million per program fiscal year. The leveraged funds are in turn used by Hidalgo County Clinical Services, Inc. to pay for medical services provided to residents determined eligible under the County's Indigent Health Care Program and other County indigent residents.

The federal Medicaid matching rate for Texas (it varies by state) for FY 2008 was 60.53%, and it was increased in FY 2009 to 69.85% and increased to 70.94% for FY 2010. The increase in the federal percentage is part of the American Recovery and Reinvestment Act of 2009 (ARRA), and it provides additional federal Medicaid funding to states. The rate can be presented as a multiplier for each dollar contributed by the County. The multiplier in FY 2008 was 2.53, 3.31 in FY 2009, and 3.44 in FY 2010. The federal rate is scheduled to be adjusted (decreased) effective January 1, 2011 through a phase-down enhanced match.

The effect of the phase-down enhanced match is illustrated below:

	<u>2010</u> (Oct.-Nov.-Dec.)	<u>2011</u> (Jan.-Feb.-Mar.)	<u>2011</u> (Apr.-May-Jun.)	<u>2011</u> (Jul.-Aug.-Sept.)
Federal medical assistance percentage (FMAP)	60.56 %	60.56 %	60.56 %	60.56 %
Across the board increase	6.20 %	3.20 %	1.20 %	0.00 %
Additional Relief - Unemployment	4.18 %	4.18 %	4.18 %	0.00 %
Increased FMAP	70.94 %	67.94 %	65.94 %	60.56 %
Medicaid Multiplier	3.44	3.12	2.94	2.54
UPL Contribution	2,125,000	2,125,000	2,125,000	2,125,000
UPL Funds	7,310,000	6,630,000	6,247,500	5,397,500