

IV.F. BUDGETARY IMPACTS RELATED TO FEDERAL HEALTHCARE REFORM SCHEDULE, 2012 OPERATING BUDGET

Agency/IHE code: **720**
 Agency /IHE name: **The University of Texas System Administration**

Item Name: **Expand coverage to dependents up to age 26**

Includes Funding for the Following Strategy or Strategies:	
Strategy	Description
01-01-11	System Office Operations

OBJECTS OF EXPENSE:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
2009	Other Operating Expense	\$0	\$0	\$725,809
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0

METHOD OF FINANCING:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
GENERAL REVENUE FUNDS				
1	General Revenue Fund	\$0	\$0	\$725,809
GR DEDICATED ACCOUNTS				
FEDERAL FUNDS				
<u>Account #</u>	<u>CFDA #</u>			

TOTAL, METHOD OF FINANCING	\$0	\$0	\$725,809
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Agency/IHE code: 720

Agency /IHE name: The University of Texas System Administration

Item Name: Expand coverage to dependents up to age 26

FULL-TIME-EQUIVALENT POSITIONS (FTE):

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

H.R. 3590, Sec. 1001 (adds Sec 2714 of Public Health Services Act); H.R. 4872, Sec. 2301

DESCRIPTION/KEY ASSUMPTIONS:

1. This provision of the law becomes applicable to the System September 1, 2011; i.e., for FY12
2. Enrollment will grow 1% per year due to increases in the number of retirees.
3. Expense amounts shown are the total projected increase in employer cost for all System institutions.
4. General Revenue is assumed to be the same percentage of employer contributions as it is in FY10. The remainder of the cost from non-GR sources is \$1,686,191 for FY 2012.

CONCERNS AND COMMENTS:

IV.F. BUDGETARY IMPACTS RELATED TO FEDERAL HEALTHCARE REFORM SCHEDULE, 2012 OPERATING BUDGET

Agency/IHE code: **720**
 Agency /IHE name: **The University of Texas System Administration**

Item Name: **Cover preventive care at 100%**

Includes Funding for the Following Strategy or Strategies:	
Strategy	Description
01-01-11	System Office Operations

OBJECTS OF EXPENSE:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
2009	Other Operating Expense	\$0	\$0	\$1,362,547
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0

METHOD OF FINANCING:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
GENERAL REVENUE FUNDS				
1	General Revenue Fund	\$0	\$0	\$1,362,547
GR DEDICATED ACCOUNTS				
FEDERAL FUNDS				
<u>Account #</u>	<u>CFDA #</u>			
TOTAL, METHOD OF FINANCING		\$0	\$0	\$1,362,547

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Agency/IHE code: 720

Agency /IHE name: The University of Texas System Administration

Item Name: Cover preventive care at 100%

FULL-TIME-EQUIVALENT POSITIONS (FTE):

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

H.R. 3590, Sec. 1001 (adds Sec 2713 of Public Health Services Act)

DESCRIPTION/KEY ASSUMPTIONS:

1. This provision of the law is assumed to become applicable to the System September 1, 2011; i.e., for FY12, as a result of the potential loss of "Grandfathered" status due to plan changes required to balance expenditures with available revenue. If such changes do not occur or are delayed, implementation of this provision will either be delayed until FY13 or beyond with a commensurate delay in cost impact.
2. Enrollment will grow 1% per year due to increases in the number of retirees.
3. Expense amounts shown are the total projected increase in employer cost for all System institutions.
4. General Revenue assumed to be the same percentage of employer contributions as it is in FY10. The remainder of the cost from non-GR sources is \$3,165,453 for FY12.

CONCERNS AND COMMENTS:

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Agency/IHE code: **720**
 Agency /IHE name: **The University of Texas System Administration**

Item Name: **Change waiting period from first of month following completion of 90 days of employment to first of the month following completion of 60 days of employment**

Includes Funding for the Following Strategy or Strategies:	
Strategy	Description
01-01-11	System Office Operations

OBJECTS OF EXPENSE:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
2009	Other Operating Expense	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0

METHOD OF FINANCING:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
GENERAL REVENUE FUNDS				
1	General Revenue Fund	\$0	\$0	\$0

GR DEDICATED ACCOUNTS				

FEDERAL FUNDS				
Account #	CFDA #			

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Agency/IHE code: **720**
 Agency /IHE name: **The University of Texas System Administration**

Item Name: **Change waiting period from first of month following completion of 90 days of employment to first of the month following completion of 60 days of employment**

TOTAL, METHOD OF FINANCING	\$0	\$0	\$0
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FULL-TIME-EQUIVALENT POSITIONS (FTE):

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:
 H.R. 3590, Sec. 1201 (adds Sec 2708 of Public Health Services Act)

DESCRIPTION/KEY ASSUMPTIONS:
 1. This provision of the law becomes applicable to the System January 1, 2014, and, therefore, does not impact the FY12-13 biennium.

CONCERNS AND COMMENTS:

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Agency/IHE code: **720**
 Agency /IHE name: **The University of Texas System Administration**

Item Name: **Changing allowable Over the Counter Medications under UT FLEX plan and potentially creating reduced annual UT Flex elections and therefore reduced employer tax savings. Estimated FICA savings lost is reflected.**

Includes Funding for the Following Strategy or Strategies:	
Strategy	Description
01-01-11	System Office Operations

OBJECTS OF EXPENSE:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
2009	Other Operating Expense	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0

METHOD OF FINANCING:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
GENERAL REVENUE FUNDS				
1	General Revenue Fund	\$0	\$0	\$0
GR DEDICATED ACCOUNTS				
FEDERAL FUNDS				
<u>Account #</u>	<u>CFDA #</u>			

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Agency/IHE code: **720**
 Agency /IHE name: **The University of Texas System Administration**

Item Name: **Changing allowable Over the Counter Medications under UT FLEX plan and potentially creating reduced annual UT Flex elections and therefore reduced employer tax savings. Estimated FICA savings lost is reflected.**

TOTAL, METHOD OF FINANCING	\$0	\$0	\$0
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FULL-TIME-EQUIVALENT POSITIONS (FTE):

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:
 H.R. 3590, Sec. 9003 (adds Subsec. 106(f) of the Internal Revenue Code of 1986)

DESCRIPTION/KEY ASSUMPTIONS:

1. Employees will reduce their UT FLEX medical account elections due to the complexity involved in receiving reimbursement for certain OTC medications. The reduction in elections will generate a loss of FICA savings, i.e. a FICA cost. Enrollment and potential decreases in elections assumed to change cost by 6% annually.
2. Total cost to non-GR sources is \$6,391 for FY12.

CONCERNS AND COMMENTS:

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Agency/IHE code: **720**
 Agency /IHE name: **The University of Texas System Administration**

Item Name: **Reduction of flexible spending election**

Includes Funding for the Following Strategy or Strategies:	
Strategy	Description
01-01-11	System Office Operations

OBJECTS OF EXPENSE:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
2009	Other Operating Expense	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0

METHOD OF FINANCING:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
<u>GENERAL REVENUE FUNDS</u>				
1	General Revenue Fund	\$0	\$0	\$0
<u>GR DEDICATED ACCOUNTS</u>				
<u>FEDERAL FUNDS</u>				
<u>Account #</u>	<u>CFDA #</u>			

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Agency/IHE code: 720
 Agency /IHE name: The University of Texas System Administration

Item Name: Reduction of flexible spending election

TOTAL, METHOD OF FINANCING	\$0	\$0	\$0
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FULL-TIME-EQUIVALENT POSITIONS (FTE):

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:
 H.R. 3590, Secs. 9005 and 10902 (adds Subsec. 125(i) of the Internal Revenue Code of 1986); H.R. 4872, Sec. 1403(a)

DESCRIPTION/KEY ASSUMPTIONS:
 Reduction of maximum annual flexible spending account election from \$5,000 to \$2,500.
 1. This law becomes effective January 1, 2012, but elections for the plan year will begin September 1, 2011. Due to mandatory reduction in annual election, System will lose FICA savings, i.e. gain a FICA cost. Enrollment and potential decreases in elections assumed to change cost by 6% annually.
 2. Cost reflected will be the cost to fund lost FICA savings and is for the entire UT System.
 3. All costs are reflected as non-GR funding sources and are \$282,841 for FY12.

CONCERNS AND COMMENTS:

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Agency/IHE code: **720**
 Agency /IHE name: **The University of Texas System Administration**

Item Name: Payment of annual fee required to fund Patient Centered Outcomes Research Trust Fund.

Includes Funding for the Following Strategy or Strategies:	
Strategy	Description
01-01-11	System Office Operations

OBJECTS OF EXPENSE:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
2009	Other Operating Expense	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0

METHOD OF FINANCING:	DESCRIPTION	FY 2010 Expended	FY 2011 Expended	FY 2012 Budgeted
GENERAL REVENUE FUNDS				
1	General Revenue Fund	\$0	\$0	\$0
GR DEDICATED ACCOUNTS				
FEDERAL FUNDS				
<u>Account #</u>	<u>CFDA #</u>			
TOTAL, METHOD OF FINANCING		\$0	\$0	\$0

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Agency/IHE code: 720
Agency /IHE name: The University of Texas System Administration

Item Name: Payment of annual fee required to fund Patient Centered Outcomes Research Trust Fund.

FULL-TIME-EQUIVALENT POSITIONS (FTE):

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:
H.R. 3590, Sec. 6301 (adds Secs. 9511 and 4376 of the Internal Revenue Code of 1986)

DESCRIPTION/KEY ASSUMPTIONS:

1. \$1.00 per participant per year funding for the Patient-Centered Outcomes Research Provisions to study the quality and relevance of treatment received by patients. Enrollment has been assumed to be 152,000 participants for FY13.
2. Expense amount shown is the total projected increase in employer cost for all System institutions.
3. Expenses for FY13 from GR are assumed to be \$43,000 from GR and \$109,000 from non-GR sources.

CONCERNS AND COMMENTS: