

**Senator Gene Davis** proposes the following substitute bill:

**ACCESS TO HEALTH CARE AMENDMENTS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Brian E. Shiozawa**

House Sponsor: \_\_\_\_\_

---

---

**LONG TITLE**

**General Description:**

This bill amends the Utah Health Code related to the state Medicaid program.

**Highlighted Provisions:**

This bill:

- ▶ requires the Department of Health to amend the state Medicaid plan to expand Medicaid eligibility to the optional populations under the Patient Protection and Affordable Care Act;
- ▶ requires the General Fund savings associated with Medicaid expansion to be deposited into the Medicaid Growth Reduction and Budget Stabilization Account to be used to fund the future costs of Medicaid expansion;
- ▶ repeals a provision requiring the governor to comply with certain requirements before expanding Medicaid; and
- ▶ provides that Medicaid expansion is repealed if federal funding decreases from the Patient Protection and Affordable Care Act funding rates.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **63J-1-315**, as enacted by Laws of Utah 2011, Chapter 211

29 ENACTS:

30 **26-18-20**, Utah Code Annotated 1953

31 REPEALS:

32 **26-18-18**, as enacted by Laws of Utah 2013, Chapter 477

34 *Be it enacted by the Legislature of the state of Utah:*

35 Section 1. Section **26-18-20** is enacted to read:

36 **26-18-20. Medicaid eligibility expansion.**

37 (1) For purposes of this section, "PPACA" means the same as that term is defined in  
38 Section **31A-1-301**.

39 (2) The state shall, in accordance with this section and PPACA, amend its state  
40 Medicaid plan to expand Medicaid eligibility to the adult expansion population under PPACA.

41 (3) (a) The department shall report to the Division of Finance the identified savings to  
42 the state General Fund associated with the expansion of Medicaid eligibility under this section.

43 (b) The Division of Finance shall deposit the savings identified under Subsection (3)(a)  
44 into the Medicaid Growth Reduction and Budget Stabilization Account in accordance with  
45 Section **63J-1-315**.

46 (4) The Medicaid expansion under this section is repealed on the date of a certification  
47 by the executive director that:

48 (a) Congress has taken an action that will reduce the federal financial participation for  
49 the adult expansion population; and

50 (b) the reduction in federal financial participation exceeds the reductions described in  
51 42 U.S.C. Sec. 1396d(y).

52 Section 2. Section **63J-1-315** is amended to read:

53 **63J-1-315. Medicaid Growth Reduction and Budget Stabilization Account**  
54 **--Transfers of Medicaid growth savings -- Base budget adjustments.**

55 (1) As used in this section:

56 (a) "Department" means the Department of Health created in Section **26-1-4**.

57 (b) "Division" means the Division of Health Care Financing created within the  
58 department under Section 26-18-2.1.

59 (c) "General Fund revenue surplus" means a situation where actual General Fund  
60 revenues collected in a completed fiscal year exceed the estimated revenues for the General  
61 Fund for that fiscal year that were adopted by the Executive Appropriations Committee of the  
62 Legislature.

63 (d) "Medicaid growth savings" means the Medicaid growth target minus Medicaid  
64 program expenditures, if Medicaid program expenditures are less than the Medicaid growth  
65 target.

66 (e) "Medicaid growth target" means Medicaid program expenditures for the previous  
67 year multiplied by 1.08.

68 (f) "Medicaid program" is as defined in Section 26-18-2.

69 (g) "Medicaid program expenditures" means total state revenue expended for the  
70 Medicaid program from the General Fund, including restricted accounts within the General  
71 Fund, during a fiscal year.

72 (h) "Medicaid program expenditures for the previous year" means total state revenue  
73 expended for the Medicaid program from the General Fund, including restricted accounts  
74 within the General Fund, during the fiscal year immediately preceding a fiscal year for which  
75 Medicaid program expenditures are calculated.

76 (i) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund  
77 balance in the General Fund is less than zero.

78 (j) "State revenue" means revenue other than federal revenue.

79 (k) "State revenue expended for the Medicaid program" includes money transferred or  
80 appropriated to the Medicaid Growth Reduction and Budget Stabilization Account only to the  
81 extent the money is appropriated for the Medicaid program by the Legislature.

82 (2) There is created within the General Fund a restricted account to be known as the  
83 Medicaid Growth Reduction and Budget Stabilization Account.

84 (3) (a) (i) Except as provided in Subsection (6), if, at the end of a fiscal year, there is a  
85 General Fund revenue surplus, the Division of Finance shall transfer an amount equal to  
86 Medicaid growth savings from the General Fund to the Medicaid Growth Reduction and  
87 Budget Stabilization Account.

88 (ii) If the amount transferred is reduced to prevent an operating deficit, as provided in  
89 Subsection (6), the Legislature shall include, to the extent revenue is available, an amount  
90 equal to the reduction as an appropriation from the General Fund to the account in the base  
91 budget for the second fiscal year following the fiscal year for which the reduction was made.

92 (b) If, at the end of a fiscal year, there is not a General Fund revenue surplus, the  
93 Legislature shall include, to the extent revenue is available, an amount equal to Medicaid  
94 growth savings as an appropriation from the General Fund to the account in the base budget for  
95 the second fiscal year following the fiscal year for which the reduction was made.

96 (c) Subsections (3)(a) and (3)(b) apply only to the fiscal year in which the department  
97 implements:

98 (i) the proposal developed under Section 26-18-405 to reduce the long-term growth in  
99 state expenditures for the Medicaid program, and to each fiscal year after that year[-]; or

100 (ii) expansion of Medicaid eligibility under Section 26-18-20.

101 (4) The Division of Finance shall calculate the amount to be transferred under  
102 Subsection (3):

103 (a) before transferring revenue from the General Fund revenue surplus to:

104 (i) the General Fund Budget Reserve Account under Section 63J-1-312 and;

105 (ii) the State Disaster Recovery Restricted Account under Section 63J-1-314;

106 (b) before earmarking revenue from the General Fund revenue surplus to the Industrial  
107 Assistance Account under Section 63M-1-905; and

108 (c) before making any other year-end contingency appropriations, year-end set-asides,  
109 or other year-end transfers required by law.

110 (5) (a) If, at the close of any fiscal year, there appears to be insufficient money to pay  
111 additional debt service for any bonded debt authorized by the Legislature, the Division of  
112 Finance may hold back from any General Fund revenue surplus money sufficient to pay the  
113 additional debt service requirements resulting from issuance of bonded debt that was  
114 authorized by the Legislature.

115 (b) The Division of Finance may not spend the hold back amount for debt service  
116 under Subsection (5)(a) unless and until it is appropriated by the Legislature.

117 (c) If, after calculating the amount for transfer under Subsection (3), the remaining  
118 General Fund revenue surplus is insufficient to cover the hold back for debt service required by

119 Subsection (5)(a), the Division of Finance shall reduce the transfer to the Medicaid Growth  
120 Reduction and Budget Stabilization Account by the amount necessary to cover the debt service  
121 hold back.

122 (d) Notwithstanding Subsections (3) and (4), the Division of Finance shall hold back  
123 the General Fund balance for debt service authorized by this Subsection (5) before making any  
124 transfers to the Medicaid Growth Reduction and Budget Stabilization Account or any other  
125 designation or allocation of General Fund revenue surplus.

126 (6) Notwithstanding Subsections (3) and (4), if, at the end of a fiscal year, the Division  
127 of Finance determines that an operating deficit exists and that holding back earmarks to the  
128 Industrial Assistance Account under Section [63M-1-905](#), transfers to the State Disaster  
129 Recovery Restricted Account under Section [63J-1-314](#), transfers to the General Fund Budget  
130 Reserve Account under Section [63J-1-312](#), or earmarks and transfers to more than one of those  
131 accounts, in that order, does not eliminate the operating deficit, the Division of Finance may  
132 reduce the transfer to the Medicaid Growth Reduction and Budget Stabilization Account by the  
133 amount necessary to eliminate the operating deficit.

134 (7) The Legislature may appropriate money from the Medicaid Growth Reduction and  
135 Budget Stabilization Account only:

136 (a) (i) if Medicaid program expenditures for the fiscal year for which the appropriation  
137 is made are estimated to be 108% or more of Medicaid program expenditures for the previous  
138 year; and

139 [~~(b)~~] (ii) for the Medicaid program[-]; or

140 (b) to fund Medicaid expansion under Section [26-18-20](#).

141 (8) The Division of Finance shall deposit interest or other earnings derived from  
142 investment of Medicaid Growth Reduction and Budget Stabilization Account money into the  
143 General Fund.

144 Section 3. **Repealer.**

145 This bill repeals:

146 Section [26-18-18](#), **Optional Medicaid expansion.**