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Medicaid Provider Reimbursement Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor:

2

3 **LONG TITLE**

4 **General Description:**

5 This bill provides for an annual increase in Medicaid rates for certain providers.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ defines terms; and
- 9 ▶ requires the annual base budget to include a Medicaid rate increase for certain providers.

10 **Money Appropriated in this Bill:**

11 None

12 **Other Special Clauses:**

13 None

14 **Utah Code Sections Affected:**

15 AMENDS:

16 **26B-3-203**, as last amended by Laws of Utah 2024, Chapters 264, 284

17

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

19 Section 1. Section **26B-3-203** is amended to read:

20 **26B-3-203 . Base budget appropriations for Medicaid accountable care**
21 **organizations and behavioral health plans -- Forecast of behavioral health services cost,**
22 **behavioral health plans, and ABA services -- Forecast of behavioral health services cost.**

23 (1) As used in this section:

- 24 (a) "ABA service" means a service applying applied behavior analysis, as that term is
- 25 defined in Section 31A-22-642.
- 26 (b) "ABA service reimbursement rate" means the Medicaid reimbursement rate
- 27 developed by the division, in accordance with Part 1, Health Care Assistance, and
- 28 paid to a provider for providing an ABA service.
- 29 (c) "ACO" means a Medicaid accountable care organization that contracts with the
- 30 state's Medicaid program for:

- 31 (i) physical health services; or
- 32 (ii) integrated physical and behavioral health services.
- 33 (d) "Air ambulance provider" means an entity licensed under Section 53-2d-512.
- 34 ~~[(d)]~~ (e) "Base budget" means the same as that term is defined in legislative rule.
- 35 ~~[(e)]~~ (f) "Behavioral health plan" means a managed care or fee-for-service delivery
- 36 system that contracts with or is operated by the department to provide behavioral
- 37 health services to Medicaid eligible individuals, including a medication assisted
- 38 treatment plan.
- 39 ~~[(f)]~~ (g) "Behavioral health services" means mental health or substance use treatment or
- 40 services.
- 41 (h) "DSPD services" means home and community based Medicaid waiver services
- 42 operated by the Division of Services for People with Disabilities created in Section
- 43 26B-6-402.
- 44 ~~[(g)]~~ (i) "General Fund growth factor" means the amount determined by dividing the next
- 45 fiscal year ongoing General Fund revenue estimate by current fiscal year ongoing
- 46 appropriations from the General Fund.
- 47 (j) "Intermediate care facilities for people with an intellectual disability" or "ICF" means
- 48 a facility licensed under Section 26B-2-212.
- 49 ~~[(h)]~~ (k) "Next fiscal year ongoing General Fund revenue estimate" means the next fiscal
- 50 year ongoing General Fund revenue estimate identified by the Executive
- 51 Appropriations Committee, in accordance with legislative rule, for use by the Office
- 52 of the Legislative Fiscal Analyst in preparing budget recommendations.
- 53 (l) "Medication assisted treatment plan" means the same as that term is defined in
- 54 Section 64-13-25.1.
- 55 ~~[(i)]~~ (m) "Member" means an enrollee.
- 56 (n) "Nursing facility" means the same as that term is defined in Section 26B-2-201.
- 57 ~~[(j)]~~ (o) "PMPM" means per-member-per-month funding.
- 58 (p) "Professional rates" means rates for Current Procedural Terminology codes except
- 59 for the following codes:
- 60 (i) laboratory;
- 61 (ii) radiology;
- 62 (iii) ABA services;
- 63 (iv) COVID-19 counseling; and
- 64 (v) behavioral health.

- 65 (2) If the General Fund growth factor is less than 100%, the next fiscal year base budget
66 shall, subject to Subsection [~~(5)~~] (7), include an appropriation to the department in an
67 amount necessary to ensure that the next fiscal year PMPM for ACOs and behavioral
68 health plans equals the current fiscal year PMPM for the ACOs and behavioral health
69 plans multiplied by 100%.
- 70 (3) If the General Fund growth factor is greater than or equal to 100%, but less than 102%,
71 the next fiscal year base budget shall, subject to Subsection [~~(5)~~] (7), include an
72 appropriation to the department in an amount necessary to ensure that the next fiscal
73 year PMPM for ACOs and behavioral health plans equals the current fiscal year PMPM
74 for the ACOs and behavioral health plans multiplied by the General Fund growth factor.
- 75 (4) If the General Fund growth factor is greater than or equal to 102%, the next fiscal year
76 base budget shall, subject to Subsection [~~(5)~~] (7):
- 77 (a) in fiscal years 2025 and 2026:
- 78 (i) include an appropriation to the department in an amount that would, prior to the
79 application of Subsection (4)(a)(ii), allow the department to ensure that the next
80 fiscal year PMPMs for ACOs and behavioral health plans is greater than or equal
81 to the current fiscal year PMPMs for the ACOs and behavioral health plans
82 multiplied by 102%;
- 83 (ii) subject to Subsection (4)(a)(iii), allocate the amount appropriated under
84 Subsection (4)(a)(i) to provide substantially the same year-over-year percentage
85 point increase to:
- 86 (A) the PMPMs for ACOs and behavioral health plans; and
87 (B) each ABA service reimbursement rate; and
- 88 (iii) for the initial appropriation under Subsection (4)(a)(i), prior to providing the
89 percentage point increases under Subsection (4)(a)(ii), allocate from the total
90 amount appropriated under Subsection (4)(a)(i) an amount necessary to increase
91 and substantially equalize each of the ABA service reimbursement rates with a
92 corresponding reimbursement rate paid for providing the same or substantially
93 similar service under an ACO or a behavioral health plan; and
- 94 (b) beginning in fiscal year 2027, include an appropriation to the department in an
95 amount necessary to ensure that the next fiscal year PMPMs for ACOs and
96 behavioral health plans is greater than or equal to the current fiscal year PMPMs for
97 the ACOs and the behavioral health plans multiplied by 102%, and less than or equal
98 to the current fiscal year PMPMs for the ACOs and the behavioral health plans

99 multiplied by the General Fund growth factor.

100 (5)(a) Subject to Subsection (5)(c), beginning in fiscal year 2026, each fiscal year base
 101 budget shall:

102 (i) include an appropriation to the department that:

103 (A) is proportional to the amount provided under Subsections (2) through (4)
 104 contained in the base budget; and

105 (B) is used to ensure that the fiscal year fee-for-service rates increase for air
 106 ambulance provider rates, DSPD rates, ICF rates, and nursing facility rates; and

107 (ii) include an additional appropriation for an ACO to match the fee-for-service rate
 108 increase for services described in Subsection (5)(a)(i)(B) paid for by an ACO.

109 (b) In accordance with Subsection (5)(a)(ii), an ACO shall match the fee-for-service rate
 110 increase for applicable services paid by the ACO.

111 (c) For nursing facility and ICF rates, any annual appropriation may not cause the rates
 112 to exceed the upper payment limit established by CMS.

113 (6) Beginning in fiscal year 2028, each fiscal year base budget shall include an
 114 appropriation to the department that:

115 (a) is proportional to the amount provided under Subsections (2) through (4) that is
 116 contained in the base budget; and

117 (b) is used to ensure that the fiscal year fee-for-service rates increase for ABA services.

118 ~~[(5)]~~ (7) The appropriations provided to the department for behavioral health plans under
 119 this section shall be reduced by the amount contributed by counties in the current fiscal
 120 year for behavioral health plans in accordance with Subsections 17-43-201(5)(k) and
 121 17-43-301(6)(a)(x).

122 ~~[(6)]~~ (8) In order for the department to estimate the impact of Subsections (2) through ~~[(4)]~~
 123 (6) before identification of the next fiscal year ongoing General Fund revenue estimate,
 124 the Governor's Office of Planning and Budget shall, in cooperation with the Office of
 125 the Legislative Fiscal Analyst, develop an estimate of ongoing General Fund revenue for
 126 the next fiscal year and provide the estimate to the department no later than November 1
 127 of each year.

128 ~~[(7)]~~ (9) The Office of the Legislative Fiscal Analyst shall include an estimate of the cost of
 129 behavioral health services in any state Medicaid funding or savings forecast that is
 130 completed in coordination with the department and the Governor's Office of Planning
 131 and Budget.

132 Section 2. **Effective Date.**

133 This bill takes effect on May 7, 2025.