

Derrin R. Owens proposes the following substitute bill:

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Medicaid Provider Reimbursement Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor:

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LONG TITLE

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General Description:

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

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Highlighted Provisions:

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This bill:

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▸ defines terms; and

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▸ requires the annual base budget to include a Medicaid rate increase for certain providers.

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Money Appropriated in this Bill:

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None

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Other Special Clauses:

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None

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Utah Code Sections Affected:

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AMENDS:

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

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

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

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26B-3-203 . Base budget appropriations for Medicaid accountable care

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organizations and behavioral health plans -- Forecast of behavioral health services cost,

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behavioral health plans, and ABA services -- Forecast of behavioral health services cost.

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(1) As used in this section:

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(a) "ABA service" means a service applying applied behavior analysis, as that term is defined in Section 31A-22-642.

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(b) "ABA service reimbursement rate" means the Medicaid reimbursement rate

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developed by the division, in accordance with Part 1, Health Care Assistance, and

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paid to a provider for providing an ABA service.

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(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 services operated by the
- 42 Division of Services for People with Disabilities created in Section 26B-6-402.
- 43 ~~[(g)]~~ (i) "General Fund growth factor" means the amount determined by dividing the next
- 44 fiscal year ongoing General Fund revenue estimate by current fiscal year ongoing
- 45 appropriations from the General Fund.
- 46 (j) "Intermediate care facilities for people with an intellectual disability" or "ICF" means
- 47 a facility licensed under Section 26B-2-212.
- 48 ~~[(h)]~~ (k) "Next fiscal year ongoing General Fund revenue estimate" means the next fiscal
- 49 year ongoing General Fund revenue estimate identified by the Executive
- 50 Appropriations Committee, in accordance with legislative rule, for use by the Office
- 51 of the Legislative Fiscal Analyst in preparing budget recommendations.
- 52 (l) "Medication assisted treatment plan" means the same as that term is defined in
- 53 Section 64-13-25.1.
- 54 ~~[(i)]~~ (m) "Member" means an enrollee.
- 55 (n) "Nursing facility" means the same as that term is defined in Section 26B-2-201.
- 56 ~~[(j)]~~ (o) "PMPM" means per-member-per-month funding.
- 57 (p) "Professional rates" means rates for Current Procedural Terminology codes except
- 58 for the following codes:
- 59 (i) laboratory;
- 60 (ii) radiology;
- 61 (iii) ABA services;
- 62 (iv) COVID-19 counseling; and
- 63 (v) behavioral health.

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

98 multiplied by the General Fund growth factor.

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

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

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

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