

Derrin R. Owens proposes the following substitute bill:

**Medicaid Provider Reimbursement Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Derrin R. Owens**

House Sponsor: Doug Fiefia

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

- defines terms;
- requires the annual base budget to include a Medicaid rate increase for certain providers;

and

- coordinates S.B. 246, Medicaid Reimbursement Rate Modifications, and S.B. 193, Medicaid Provider Reimbursement Amendments, to specify which bill should become law if both pass.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a coordination clause.

**Utah Code Sections Affected:**

AMENDS:

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

**Utah Code Sections affected by Coordination Clause:**

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

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

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

(1) As used in this section:

- (a) "ABA service" means a service applying applied behavior analysis, as that term is

- 30 defined in Section 31A-22-642.
- 31 (b) "ABA service reimbursement rate" means the Medicaid reimbursement rate  
32 developed by the division, in accordance with Part 1, Health Care Assistance, and  
33 paid to a provider for providing an ABA service.
- 34 (c) "ACO" means a Medicaid accountable care organization that contracts with the  
35 state's Medicaid program for:
- 36 (i) physical health services; or  
37 (ii) integrated physical and behavioral health services.
- 38 (d) "Air ambulance provider" means an entity licensed under Section 53-2d-512.
- 39 [(d)] (e) "Base budget" means the same as that term is defined in legislative rule.
- 40 [(e)] (f) "Behavioral health plan" means a managed care or fee-for-service delivery  
41 system that contracts with or is operated by the department to provide behavioral  
42 health services to Medicaid eligible individuals, including a medication assisted  
43 treatment plan.
- 44 [(f)] (g) "Behavioral health services" means mental health or substance use treatment or  
45 services.
- 46 (h) "DSPD services" means home and community based services operated by the  
47 Division of Services for People with Disabilities created in Section 26B-6-402.
- 48 [(g)] (i) "General Fund growth factor" means the amount determined by dividing the next  
49 fiscal year ongoing General Fund revenue estimate by current fiscal year ongoing  
50 appropriations from the General Fund.
- 51 (j) "Intermediate care facilities for people with an intellectual disability" or "ICF" means  
52 a facility licensed under Section 26B-2-212.
- 53 [(h)] (k) "Next fiscal year ongoing General Fund revenue estimate" means the next fiscal  
54 year ongoing General Fund revenue estimate identified by the Executive  
55 Appropriations Committee, in accordance with legislative rule, for use by the Office  
56 of the Legislative Fiscal Analyst in preparing budget recommendations.
- 57 (l) "Medication assisted treatment plan" means the same as that term is defined in  
58 Section 64-13-25.1.
- 59 [(i)] (m) "Member" means an enrollee.
- 60 (n) "Nursing facility" means the same as that term is defined in Section 26B-2-201.
- 61 [(j)] (o) "PMPM" means per-member-per-month funding.
- 62 (p) "Private duty nursing" means continuous and individualized skilled nursing care  
63 provided to a patient:

- 64           (i) with complex medical needs;  
65           (ii) outside of a traditional hospital setting; and  
66           (iii) by a licensed registered nurse or licensed practical nurse.
- 67       (q) "Professional rates" means rates for Current Procedural Terminology codes except  
68           for the following codes:
- 69           (i) laboratory;  
70           (ii) radiology;  
71           (iii) ABA services;  
72           (iv) COVID-19 counseling; and  
73           (v) behavioral health.
- 74       (2) If the General Fund growth factor is less than 100%, the next fiscal year base budget  
75           shall, subject to Subsection [~~(5)~~] (7), include an appropriation to the department in an  
76           amount necessary to ensure that the next fiscal year PMPM for ACOs and behavioral  
77           health plans equals the current fiscal year PMPM for the ACOs and behavioral health  
78           plans multiplied by 100%.
- 79       (3) If the General Fund growth factor is greater than or equal to 100%, but less than 102%,  
80           the next fiscal year base budget shall, subject to Subsection [~~(5)~~] (7), include an  
81           appropriation to the department in an amount necessary to ensure that the next fiscal  
82           year PMPM for ACOs and behavioral health plans equals the current fiscal year PMPM  
83           for the ACOs and behavioral health plans multiplied by the General Fund growth factor.
- 84       (4) If the General Fund growth factor is greater than or equal to 102%, the next fiscal year  
85           base budget shall, subject to Subsection [~~(5)~~] (7):
- 86           (a) in fiscal years 2025 and 2026:
- 87               (i) include an appropriation to the department in an amount that would, prior to the  
88                   application of Subsection (4)(a)(ii), allow the department to ensure that the next  
89                   fiscal year PMPMs for ACOs and behavioral health plans is greater than or equal  
90                   to the current fiscal year PMPMs for the ACOs and behavioral health plans  
91                   multiplied by 102%;
- 92               (ii) subject to Subsection (4)(a)(iii), allocate the amount appropriated under  
93                   Subsection (4)(a)(i) to provide substantially the same year-over-year percentage  
94                   point increase to:
- 95                   (A) the PMPMs for ACOs and behavioral health plans; and  
96                   (B) each ABA service reimbursement rate; and
- 97               (iii) for the initial appropriation under Subsection (4)(a)(i), prior to providing the

98 percentage point increases under Subsection (4)(a)(ii), allocate from the total  
99 amount appropriated under Subsection (4)(a)(i) an amount necessary to increase  
100 and substantially equalize each of the ABA service reimbursement rates with a  
101 corresponding reimbursement rate paid for providing the same or substantially  
102 similar service under an ACO or a behavioral health plan; and

103 (b) beginning in fiscal year 2027, include an appropriation to the department in an  
104 amount necessary to ensure that the next fiscal year PMPMs for ACOs and  
105 behavioral health plans is greater than or equal to the current fiscal year PMPMs for  
106 the ACOs and the behavioral health plans multiplied by 102%, and less than or equal  
107 to the current fiscal year PMPMs for the ACOs and the behavioral health plans  
108 multiplied by the General Fund growth factor.

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

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

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

114 (B) is used to ensure that the fiscal year fee-for-service rates increase for  
115 professional rates, air ambulance provider rates, DSPD rates, private duty  
116 nursing rates, ICF rates, and nursing facility rates; and

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

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

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

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

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

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

128 [~~5~~] (7) The appropriations provided to the department for behavioral health plans under  
129 this section shall be reduced by the amount contributed by counties in the current fiscal  
130 year for behavioral health plans in accordance with Subsections 17-43-201(5)(k) and  
131 17-43-301(6)(a)(x).

132 [(6)] (8) In order for the department to estimate the impact of Subsections (2) through [(4)]  
133 (6) before identification of the next fiscal year ongoing General Fund revenue estimate,  
134 the Governor's Office of Planning and Budget shall, in cooperation with the Office of  
135 the Legislative Fiscal Analyst, develop an estimate of ongoing General Fund revenue for  
136 the next fiscal year and provide the estimate to the department no later than November 1  
137 of each year.

138 [(7)] (9) The Office of the Legislative Fiscal Analyst shall include an estimate of the cost of  
139 behavioral health services in any state Medicaid funding or savings forecast that is  
140 completed in coordination with the department and the Governor's Office of Planning  
141 and Budget.

142 Section 2. **Effective Date.**

143 This bill takes effect on May 7, 2025.

144 Section 3. **Coordinating S.B. 193 with S.B. 246.**

145 If S.B. 193, Medicaid Provider Reimbursement Amendments, and S.B. 246, Medicaid  
146 Reimbursement Rate Modifications, both pass and become law, the Legislature intends that,  
147 on May 7, 2025, the amendments to Section 26B-3-230 contained in S.B. 193 supersede  
148 amendments to Section 26B-3-230 in S.B. 246.