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Medicaid Reimbursement Rate Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd Weiler

House Sponsor:

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LONG TITLE

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General Description:

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This bill addresses Medicaid reimbursement rates.

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Highlighted Provisions:

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This bill:

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▸ directs that the base budget include an annual appropriation to the Department of Health

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and Human Services to increase the fiscal year fee-for-service rates for services applying

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applied behavior analysis; and

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▸ makes conforming changes.

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

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

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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

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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

- 31 paid to a provider for providing an ABA service.
- 32 (c) "ACO" means a Medicaid accountable care organization that contracts with the
33 state's Medicaid program for:
- 34 (i) physical health services; or
35 (ii) integrated physical and behavioral health services.
- 36 (d) "Base budget" means the same as that term is defined in legislative rule.
- 37 (e) "Behavioral health plan" means a managed care or fee-for-service delivery system
38 that contracts with or is operated by the department to provide behavioral health
39 services to Medicaid eligible individuals.
- 40 (f) "Behavioral health services" means mental health or substance use treatment or
41 services.
- 42 (g) "General Fund growth factor" means the amount determined by dividing the next
43 fiscal year ongoing General Fund revenue estimate by current fiscal year ongoing
44 appropriations from the General Fund.
- 45 (h) "Next fiscal year ongoing General Fund revenue estimate" means the next fiscal year
46 ongoing General Fund revenue estimate identified by the Executive Appropriations
47 Committee, in accordance with legislative rule, for use by the Office of the
48 Legislative Fiscal Analyst in preparing budget recommendations.
- 49 (i) "Member" means an enrollee.
- 50 (j) "PMPM" means per-member-per-month funding.
- 51 (2) If the General Fund growth factor is less than 100%, the next fiscal year base budget
52 shall, subject to Subsection ~~[(5)]~~ (6), include an appropriation to the department in an
53 amount necessary to ensure that the next fiscal year PMPM for ACOs and behavioral
54 health plans equals the current fiscal year PMPM for the ACOs and behavioral health
55 plans multiplied by 100%.
- 56 (3) If the General Fund growth factor is greater than or equal to 100%, but less than 102%,
57 the next fiscal year base budget shall, subject to Subsection ~~[(5)]~~ (6), include an
58 appropriation to the department in an amount necessary to ensure that the next fiscal
59 year PMPM for ACOs and behavioral health plans equals the current fiscal year PMPM
60 for the ACOs and behavioral health plans multiplied by the General Fund growth factor.
- 61 (4) If the General Fund growth factor is greater than or equal to 102%, the next fiscal year
62 base budget shall, subject to ~~[Subsection (5):]~~ Subsection (6), include an appropriation to
63 the department in an amount necessary to ensure that the next fiscal year PMPM for
64 ACOs and behavioral health plans is greater than or equal to the current fiscal year

65 PMPM for the ACOs and behavioral health plans multiplied by 102% and less than or
 66 equal to the current fiscal year PMPM for the ACOs and behavioral health plans
 67 multiplied by the General Fund growth factor.

68 [(a) in fiscal years 2025 and 2026:]

69 [(i) include an appropriation to the department in an amount that would, prior to the
 70 application of Subsection (4)(a)(ii), allow the department to ensure that the next
 71 fiscal year PMPMs for ACOs and behavioral health plans is greater than or equal
 72 to the current fiscal year PMPMs for the ACOs and behavioral health plans
 73 multiplied by 102%;]

74 [(ii) subject to Subsection (4)(a)(iii), allocate the amount appropriated under
 75 Subsection (4)(a)(i) to provide substantially the same year-over-year percentage
 76 point increase to:]

77 [(A) the PMPMs for ACOs and behavioral health plans; and]

78 [(B) each ABA service reimbursement rate; and]

79 [(iii) for the initial appropriation under Subsection (4)(a)(i), prior to providing the
 80 percentage point increases under Subsection (4)(a)(ii), allocate from the total
 81 amount appropriated under Subsection (4)(a)(i) an amount necessary to increase
 82 and substantially equalize each of the ABA service reimbursement rates with a
 83 corresponding reimbursement rate paid for providing the same or substantially
 84 similar service under an ACO or a behavioral health plan; and]

85 [(b) beginning in fiscal year 2027, include an appropriation to the department in an
 86 amount necessary to ensure that the next fiscal year PMPMs for ACOs and
 87 behavioral health plans is greater than or equal to the current fiscal year PMPMs for
 88 the ACOs and the behavioral health plans multiplied by 102%, and less than or equal
 89 to the current fiscal year PMPMs for the ACOs and the behavioral health plans
 90 multiplied by the General Fund growth factor.]

91 (5) Beginning with the base budget for fiscal year 2026, each fiscal year base budget shall
 92 include an appropriation to the department that:

93 (a) is proportional to the appropriation under Subsections (2) through (4); and

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

95 [(5)] (6) The appropriations provided to the department for behavioral health plans under
 96 this section shall be reduced by the amount contributed by counties in the current fiscal
 97 year for behavioral health plans in accordance with Subsections 17-43-201(5)(k) and
 98 17-43-301(6)(a)(x).

99 ~~[(6)]~~ (7) In order for the department to estimate the impact of Subsections (2) through ~~[(4)]~~
100 (5) before identification of the next fiscal year ongoing General Fund revenue estimate,
101 the Governor's Office of Planning and Budget shall, in cooperation with the Office of
102 the Legislative Fiscal Analyst, develop an estimate of ongoing General Fund revenue for
103 the next fiscal year and provide the estimate to the department no later than November 1
104 of each year.

105 ~~[(7)]~~ (8) The Office of the Legislative Fiscal Analyst shall include an estimate of the cost of
106 behavioral health services in any state Medicaid funding or savings forecast that is
107 completed in coordination with the department and the Governor's Office of Planning
108 and Budget.

109 Section 2. **Effective Date.**

110 This bill takes effect on May 7, 2025.