

Doug Fiefia proposes the following substitute bill:

Medicaid Reimbursement Rate Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd Weiler

House Sponsor: Doug Fiefia

LONG TITLE

General Description:

This bill addresses Medicaid reimbursement rates.

Highlighted Provisions:

This bill:

▸ extends by a number of fiscal years a budgeting mechanism under which Medicaid reimbursement rates for applied behavior analysis may increase.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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, behavioral health plans, and ABA services -- 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 defined in Section 31A-22-642.

(b) "ABA service reimbursement rate" means the Medicaid reimbursement rate developed by the division, in accordance with Part 1, Health Care Assistance, and paid to a provider for providing an ABA service.

- 30 (c) "ACO" means a Medicaid accountable care organization that contracts with the
31 state's Medicaid program for:
32 (i) physical health services; or
33 (ii) integrated physical and behavioral health services.
- 34 (d) "Base budget" means the same as that term is defined in legislative rule.
- 35 (e) "Behavioral health plan" means a managed care or fee-for-service delivery system
36 that contracts with or is operated by the department to provide behavioral health
37 services to Medicaid eligible individuals.
- 38 (f) "Behavioral health services" means mental health or substance use treatment or
39 services.
- 40 (g) "General Fund growth factor" means the amount determined by dividing the next
41 fiscal year ongoing General Fund revenue estimate by current fiscal year ongoing
42 appropriations from the General Fund.
- 43 (h) "Next fiscal year ongoing General Fund revenue estimate" means the next fiscal year
44 ongoing General Fund revenue estimate identified by the Executive Appropriations
45 Committee, in accordance with legislative rule, for use by the Office of the
46 Legislative Fiscal Analyst in preparing budget recommendations.
- 47 (i) "Member" means an enrollee.
- 48 (j) "PMPM" means per-member-per-month funding.
- 49 (2) If the General Fund growth factor is less than 100%, the next fiscal year base budget
50 shall, subject to Subsection (5), include an appropriation to the department in an amount
51 necessary to ensure that the next fiscal year PMPM for ACOs and behavioral health
52 plans equals the current fiscal year PMPM for the ACOs and behavioral health plans
53 multiplied by 100%.
- 54 (3) If the General Fund growth factor is greater than or equal to 100%, but less than 102%,
55 the next fiscal year base budget shall, subject to Subsection (5), include an appropriation
56 to the department in an amount necessary to ensure that the next fiscal year PMPM for
57 ACOs and behavioral health plans equals the current fiscal year PMPM for the ACOs
58 and behavioral health plans multiplied by the General Fund growth factor.
- 59 (4) If the General Fund growth factor is greater than or equal to 102% for a fiscal year, the
60 next fiscal year base budget shall, subject to Subsection (5):
61 (a) [~~in fiscal years 2025 and~~] for the 2026 and 2027 base budget:
62 (i) include an appropriation to the department in an amount that would, prior to the
63 application of Subsection (4)(a)(ii), allow the department to ensure that the next

64 fiscal year PMPMs for ACOs and behavioral health plans is greater than or equal
65 to the current fiscal year PMPMs for the ACOs and behavioral health plans
66 multiplied by 102%; and

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

70 (A) the PMPMs for ACOs and behavioral health plans; and

71 (B) each ABA service reimbursement rate; and

72 (iii) ~~[for the initial appropriation under Subsection (4)(a)(i), prior to providing the
73 percentage point increases under Subsection (4)(a)(ii), allocate from the total
74 amount appropriated under Subsection (4)(a)(i) an amount necessary to increase
75 and substantially equalize each of the ABA service reimbursement rates with a
76 corresponding reimbursement rate paid for providing the same or substantially
77 similar service under an ACO or a behavioral health plan; and]~~

78 (b) beginning in fiscal year 2027 for the 2028 base budget, include an appropriation to
79 the department in an amount necessary to ensure that the next fiscal year PMPMs for
80 ACOs and behavioral health plans is greater than or equal to the current fiscal year
81 PMPMs for the ACOs and the behavioral health plans multiplied by 102%, and less
82 than or equal to the current fiscal year PMPMs for the ACOs and the behavioral
83 health plans multiplied by the General Fund growth factor.

84 (5) The appropriations provided to the department for behavioral health plans under this
85 section shall be reduced by the amount contributed by counties in the current fiscal year
86 for behavioral health plans in accordance with Subsections 17-43-201(5)(k) and
87 17-43-301(6)(a)(x).

88 (6) In order for the department to estimate the impact of Subsections (2) through (4) before
89 identification of the next fiscal year ongoing General Fund revenue estimate, the
90 Governor's Office of Planning and Budget shall, in cooperation with the Office of the
91 Legislative Fiscal Analyst, develop an estimate of ongoing General Fund revenue for the
92 next fiscal year and provide the estimate to the department no later than November 1 of
93 each year.

94 (7) The Office of the Legislative Fiscal Analyst shall include an estimate of the cost of
95 behavioral health services in any state Medicaid funding or savings forecast that is
96 completed in coordination with the department and the Governor's Office of Planning
97 and Budget.

98 Section 2. **Effective Date.**

99 This bill takes effect on May 7, 2025.