

SB0288S01 compared with SB0288

~~{Omitted text}~~ shows text that was in SB0288 but was omitted in SB0288S01

inserted text shows text that was not in SB0288 but was inserted into SB0288S01

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Medicaid Provider Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Keven J. Stratton
House Sponsor:



2

3 **LONG TITLE**

4 **General Description:**

5 This bill addresses ~~{quality-based incentive payments for}~~ provisions related to Medicaid providers.

6 **Highlighted Provisions:**

7 This bill:

8 ▶ permits interest earned on funds in the Medicaid ACA Fund to be appropriated ~~{to fund}~~ for incentive payments ~~{for}~~ Medicaid providers ~~{based on performance}~~ in certain circumstances;

10 ▶ amends permitted uses of funds in the Medicaid ACA Fund in certain circumstances;

10 ▶ requires the Department of Health and Human Services (department) to:

11 • establish ~~{metrics}~~ quality measures for evaluating Medicaid providers' performance;

12 • ~~{rate}~~ evaluate Medicaid providers on performance as measured by the ~~{metrics}~~ quality measures; and

13 • annually report to the Social Services Appropriations Subcommittee on the performance based on the quality measures of the Medicaid providers ~~{ratings}~~ determined by the Legislature;

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requires the department to implement a closed loop referral system for referrals for the delivery of ~~{social}~~ health-related social needs care to Medicaid-eligible individuals;

17 ▶ ~~{provides certain requirements for amendments to contracts}~~ requires the Division of Services
for People with Disabilities ~~{enters into}~~ (division) to notify a provider of amendments to the provider's
contract with ~~{providers}~~ the division;

19 ▶ defines terms; and

20 ▶ makes technical and conforming changes.

23 **Money Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**

26 This bill provides a special effective date.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **26B-1-315 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah 2025,
Chapter 135

31 **26B-1-315 (Effective 07/01/26) (Repealed 07/01/34)**, as last amended by Laws of Utah 2025,
Chapter 285

33 **26B-6-403 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2023, Chapter 308

35 ENACTS:

36 **26B-3-143 (Effective 05/06/26)**, Utah Code Annotated 1953

37 **26B-3-144 (Effective 05/06/26)**, Utah Code Annotated 1953

38

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

40 Section 1. Section **26B-1-315** is amended to read:

41 **26B-1-315. Medicaid ACA Fund.**

40 (1) There is created an expendable special revenue fund known as the "Medicaid ACA Fund."

42 (2) The fund consists of:

43 (a) assessments collected under Chapter 3, Part 5, Inpatient Hospital Assessment;

44 (b) intergovernmental transfers under Section 26B-3-508;

45 (c) savings attributable to the health coverage improvement program, as defined in Section 26B-3-501,
as determined by the department;

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- 47 (d) savings attributable to the enhancement waiver program, as defined in Section 26B-3-501, as
determined by the department;
- 49 (e) savings attributable to the Medicaid waiver expansion, as defined in Section 26B-3-501, as
determined by the department;
- 51 (f) revenues collected from the sales tax described in Subsection 59-12-103(11);
- 52 (g) gifts, grants, donations, or any other conveyance of money that may be made to the fund from
private sources;
- 54 (h) interest earned on money in the fund; and
- 55 (i) additional amounts as appropriated by the Legislature.
- 56 (3)
- (a) The fund shall earn interest.
- 57 (b) All interest earned on fund money shall be deposited into the fund.
- 58 (c) ~~{ Interest }~~ The Legislature may appropriate interest earned on ~~{ the fund may be appropriated by }~~
fund money for the ~~{ Legislature to provide incentive payments }~~ purposes described in Subsection
(4)(a)(v)(A).Section 26B-3-143.
- 60 (4)
- (a) A state agency administering the provisions of Chapter 3, Part 5, Inpatient Hospital Assessment,
may use money from the fund to pay the costs, not otherwise paid for with federal funds or other
revenue sources, of:
- 63 (i) the health coverage improvement program as defined in Section 26B-3-501;
- 64 (ii) the enhancement waiver program as defined in Section 26B-3-501;
- 65 (iii) a Medicaid waiver expansion as defined in Section 26B-3-501; and
- 66 (iv) the outpatient upper payment limit supplemental payments under Section 26B-3-511~~[7]~~ ; and
- 70 (v) if money remains in the fund after money from the fund has been used for the purposes
described in Subsections (4)(a)(i) through (iv):
- 72 (A) within appropriations from the Legislature for this purpose as described in Subsection (3)(c),
incentive payments and related administrative costs as described in Section 26B-3-143; and
- 75 (B) the closed loop referral system described in Section 26B-3-144.
- 68 (b) A state agency administering the provisions of Chapter 3, Part 5, Inpatient Hospital Assessment,
may not use:

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(i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper payment limit supplemental payments; or

72 (ii) money in the fund for any purpose not described in Subsection (4)(a).

81 Section 2. Section **26B-1-315** is amended to read:

82 **26B-1-315. Medicaid ACA Fund.**

75 (1) There is created an expendable special revenue fund known as the "Medicaid ACA Fund."

77 (2) The fund consists of:

78 (a) assessments collected under Chapter 3, Part 5, Inpatient Hospital Assessment;

79 (b) intergovernmental transfers under Section 26B-3-508;

80 (c) savings attributable to the health coverage improvement program, as defined in Section 26B-3-501, as determined by the department;

82 (d) savings attributable to the enhancement waiver program, as defined in Section 26B-3-501, as determined by the department;

84 (e) savings attributable to the Medicaid waiver expansion, as defined in Section 26B-3-501, as determined by the department;

86 (f) revenues collected from the sales tax described in Subsection 59-12-103(6);

87 (g) gifts, grants, donations, or any other conveyance of money that may be made to the fund from private sources;

89 (h) interest earned on money in the fund; and

90 (i) additional amounts as appropriated by the Legislature.

91 (3)

(a) The fund shall earn interest.

92 (b) All interest earned on fund money shall be deposited into the fund.

93 (c) ~~{ Interest }~~ The Legislature may appropriate interest earned on ~~{ the fund may be appropriated by }~~ fund money for the { Legislature to provide incentive payments } purposes described in Subsection (4)(a)(v)(A), Section 26B-3-143.

95 (4)

(a) A state agency administering the provisions of Chapter 3, Part 5, Inpatient Hospital Assessment, may use money from the fund to pay the costs, not otherwise paid for with federal funds or other revenue sources, of:

98 (i) the health coverage improvement program as defined in Section 26B-3-501;

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- 99 (ii) the enhancement waiver program as defined in Section 26B-3-501;
- 100 (iii) a Medicaid waiver expansion as defined in Section 26B-3-501; [and]
- 101 (iv) the outpatient upper payment limit supplemental payments under Section 26B-3-511~~[-]~~; and
- 111 (v) if money remains in the fund after money from the fund has been used for the purposes
described in Subsections (4)(a)(i) through (iv):

113 (A) within appropriations from the Legislature for this purpose as described in Subsection (3)(c),
incentive payments and related administrative costs as described in Section 26B-3-143; and

116 (B) the closed loop referral system described in Section 26B-3-144.

103 (b) A state agency administering the provisions of Chapter 3, Part 5, Inpatient Hospital Assessment,
may not use:

105 (i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper payment limit
supplemental payments; or

107 (ii) money in the fund for any purpose not described in Subsection (4)(a).

122 Section 3. Section 3 is enacted to read:

123 **26B-3-143. Medicaid provider quality measures -- Reporting -- Eligibility for incentive**
payments.

111 (1) As used in this section:

126 (a) "Incentive payment" means a fee-for-services payment to a participating Medicaid provider,
including a managed care entity or a Medicaid provider that is paid under a fee-for-service
arrangement, based on the Medicaid provider's performance as evaluated by the department as
described in this section.

112 (a){ (b) } "Managed care { organization } entity" means a { comprehensive, full-risk, managed care
delivery system } person that contracts with the Medicaid program to { deliver } manage the
provision of health care { through } services in a managed care { plan } delivery system on a capitated
basis.

115 { (b) } { "Managed care plan" means a risk-based delivery service model authorized by Section 26B-3-202
and administered by a managed care organization. } }

117 (c) "Medicaid provider" means any person, individual, corporation, institution, or organization that
{ provides medical, behavioral, or dental care services under the Medicaid program and who has
entered into a written contract with the Medicaid program. } :

135 (i) is currently enrolled in the Medicaid program;

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- 136 (ii) provides Medicaid-covered services under the Medicaid program;
137 (iii) has entered into a provider agreement with the Medicaid program; and
138 (iv) is reimbursed:
139 (A) through a managed care entity; or
140 (B) fee-for-service.
141 (d) "Participating Medicaid provider" means a Medicaid provider:
142 (i) that is in a group of Medicaid providers selected by the Legislature and that the Legislature directs
the department to evaluate in a fiscal year as described in Subsection (5)(a); and
121 (d){ (ii) } { "~~Participating Medicaid provider~~" means a Medicaid provider } that submits verifying
documentation of the Medicaid provider's completion or progress toward quality measures in
accordance with rules made by the department under this section.
124 (e) "Quality measures" means the metrics the department establishes to evaluate a Medicaid provider's
performance as described in Subsection (2).
126 (2)
(a) The department shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative
Rulemaking Act, to establish quality measures { to evaluate a Medicaid provider's performance }.
129 { (b) { The department shall design the quality measures described in Subsection (2)(a) to evaluate a
Medicaid provider's completion or progress toward: } }
152 (b) Quality measures may include:
131 (i) improved health outcomes and care experience for enrollees;
132 (ii) care coordination, data sharing, and value-based delivery;
133 (iii) workforce stability and evidence-based clinical practices; and
134 (iv) any other metrics or performance areas the department deems appropriate.
135 (c) The department shall establish separate quality measures for each Medicaid provider typeselected
for participation in accordance with the process described in Subsections (4) and (5).
137 (3) The department shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative
Rulemaking Act, to establish:
139 (a) a process for a participating Medicaid provider to submit documentation verifying the participating
Medicaid provider's completion or progress toward the quality measures established for the
Medicaid provider's provider type; { and }

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- (b) a methodology for evaluating a participating Medicaid provider's ~~{performance as measured by the~~
} progress toward quality measures~~{:}~~; and
- 144 ~~{(4) {To fulfill the department's duties under this section, the department may contract with an
independent, nonprofit entity with experience in healthcare measurement and proven expertise in
analyzing healthcare cost drivers in Utah, including experience working across payers, providers,
purchasers, and state agencies to support system-level analysis and accountability.}}~~
- 167 (c) exclusions for a Medicaid provider's participation based on adverse findings or disciplinary actions
by a certifying, licensing, or accrediting entity.
- 169 (4)
- 149 (5)(a) The department shall annually, before ~~{January}~~ October 31, submit a report to the Social
Services Appropriations Subcommittee of the department's evaluation of ~~{participating Medicaid
providers' performance using the methodology described in Subsection (3)(b).}~~ :
- 171 (i) Medicaid provider types to assist the Legislature in selecting and prioritizing Medicaid providers
eligible for incentive payments under Subsection (6) in the following fiscal year; and
- 174 (ii) participating Medicaid providers' completion or progress toward quality measures as described
in Subsection (3)(b), if any.
- 176 (b) The report described in Subsection (4)(a)(i) shall include:
- 177 (i) a comparative analysis of current Medicaid reimbursement rates and rates paid by other comparable
payers, including Medicare, where applicable;
- 179 (ii) the length of time since the last rate increase for the Medicaid provider type; and
- 180 (iii) an analysis of the impact of incentive payments on the Medicaid provider type.
- 181 (5)
- 152 (6)(a) ~~{Within}~~ Subject to appropriations from the Legislature for this purpose, and the Legislature's
determination of eligible Medicaid provider types for the following fiscal year, a participating
Medicaid {providers} provider may be eligible for incentive payments based on the participating
Medicaid provider's performance as evaluated by the department as described in Subsection (3)(b).
- 186 (b) The department may use up to 2% of an appropriation under this section for costs related to the
administration of the provisions of this section.
- 188 (6) The department shall ensure that incentive payments are distributed:
- 189 (a) proportionally to participating Medicaid providers;
- 190 (b) in accordance with legislative appropriations; and

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- 191 (c) in accordance with CMS rules and regulations.
- 155 (7) The department may apply for {a waiver or state plan amendment if} necessary CMS authority to
156 implement this section.
- 193 Section 4. Section 4 is enacted to read:
- 194 **26B-3-144. Closed loop referral system.**
- 159 (1) As used in this section:
- 196 (a) "Authorized user" means a social needs care provider authorized by rules the department makes to
197 use a closed loop referral system.
- 160 (a){(b)} "Closed loop referral system" means a system that{:} enables efficient outreach, engagement,
161 and care coordination across cross-sector social needs care providers.
- 162 {(i) {~~stores individually identifiable social care information for the purpose of referrals to social care~~
163 providers; and} }
- 164 {(ii) {~~shares individually identifiable social care information with one or more entities that provide~~
165 social care, including health care providers, health plans, health information exchanges, government
166 entities, and charitable organizations.} }
- 167 {(b) {"Individually identifiable social care information" means:} }
- 168 {(i) {~~protected health information as defined in 45 C.F.R. Sec. 160.103; and} }~~
- 169 {(ii) {~~information about an individual that:} }~~
- 170 {(A) {~~identifies the individual receiving social care; or} }~~
- 171 {(B) {~~can be used to identify the individual receiving social care.} }~~
- 172 {(c) }
- 173 (i){(c)} {"Social"} "Social needs care" means {care,} community-level services{~~, goods, or supplies~~
174 related to an individual's} and supports that address health-related social needs.
- 175 {(ii) {"Social care" includes ~~support and assistance for an individual's food stability and nutritional~~
176 needs, housing, transportation, economic stability, employment, education access and quality, child
177 care and family relationship needs, or environmental and physical safety.} }
- 178 (d) "Social needs care provider" means a person that contracts with the department, directly or
179 indirectly, to provide social needs care{:}, including a:
- 204 (i) government entity;
- 205 (ii) healthcare organization;
- 206 (iii) community organization; or

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- 207 (iv) social service organization.
- 179 (2) The department shall implement a closed loop referral system for referrals for the delivery of social care to Medicaid-eligible individuals.
- 181 (3) The department shall ensure that the closed loop referral system { shall ensure that individually identifiable social care information may only be shared between social care providers if the individual about whom the individually identifiable social care information relates } :
- 184 {(a) { consents to the sharing of the individual's individually identifiable social care information separately for each social care provider; and} }
- 211 (a) notifies authorized users of social needs care requests and referrals;
- 186 (b) { specifies } allows authorized users to securely access relevant information related to the social care { providers who are able to view } needs of individuals the { individual's individually identifiable social care information. } authorized user serves;
- 188 (4) {(c) } { An individual who consents as described in Subsection (3) retains the right } allows an individual's information to { revoke } be accessed only with the individual's consent { at any time. } and consistent with applicable privacy laws;
- 216 (d) facilitates communication between referring social needs care providers using a secure chat function;
- 218 (e) sends social needs care referrals on behalf of an individual receiving social needs care; and
- 220 (f) in a single record, tracks and stores:
- 221 (i) the outcome of a referral; and
- 222 (ii) the outcome of services delivered to an individual.
- 190 (5) {(4) } The department { may } shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement this section, including rules to establish authorized use and authorized users of the closed loop referral system.

226 Section 5. Section **26B-6-403** is amended to read:

227 **26B-6-403. Responsibility and authority of division.**

194 (1) For purposes of this section "administer" means to:

- 195 (a) plan;
- 196 (b) develop;
- 197 (c) manage;
- 198 (d) monitor; and

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- 199 (e) conduct certification reviews.
- 200 (2) The division has the authority and responsibility to:
- 201 (a) administer an array of services and supports for persons with disabilities and their families
throughout the state;
- 203 (b) make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that
establish eligibility criteria for the services and supports described in Subsection (2)(a);
- 206 (c) consistent with Section 26B-6-506, supervise the programs and facilities of the Developmental
Center;
- 208 (d) in order to enhance the quality of life for a person with a disability, establish either directly, or by
contract with private, nonprofit organizations, programs of:
- 210 (i) outreach;
- 211 (ii) information and referral;
- 212 (iii) prevention;
- 213 (iv) technical assistance; and
- 214 (v) public awareness;
- 215 (e) supervise the programs and facilities operated by, or under contract with, the division;
- 216 (f) cooperate with other state, governmental, and private agencies that provide services to a person with
a disability;
- 218 (g) subject to Subsection (3), ensure that a person with a disability is not deprived of that person's
constitutionally protected rights without due process procedures designed to minimize the risk of
error when a person with a disability is admitted to an intermediate care facility for people with an
intellectual disability, including:
- 222 (i) the developmental center; and
- 223 (ii) facilities within the community;
- 224 (h) determine whether to approve providers;
- 225 (i) monitor and sanction approved providers, as specified in the providers' contract;
- 226 (j) subject to Section 26B-6-410, receive and disburse public funds;
- 227 (k) review financial actions of a provider who is a representative payee appointed by the Social Security
Administration;
- 229 (l) establish standards and rules for the administration and operation of programs conducted by, or
under contract with, the division;

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- 231 (m) approve and monitor division programs to insure compliance with the board's rules and standards;
- 233 (n) establish standards and rules necessary to fulfill the division's responsibilities under Part 5, Utah
State Developmental Center, and Part 6, Admission to an Intermediate Care Facility for People with
an Intellectual Disability, with regard to an intermediate care facility for people with an intellectual
disability;
- 237 (o) assess and collect equitable fees for a person who receives services provided under this chapter;
- 239 (p) maintain records of, and account for, the funds described in Subsection (2)(o);
- 240 (q) establish and apply rules to determine whether to approve, deny, or defer the division's services to a
person who is:
- 242 (i) applying to receive the services; or
- 243 (ii) currently receiving the services;
- 244 (r) in accordance with state law, establish rules:
- 245 (i) relating to an intermediate care facility for people with an intellectual disability that is an endorsed
program; and
- 247 (ii) governing the admission, transfer, and discharge of a person with a disability;
- 248 (s) manage funds for a person residing in a facility operated by the division:
- 249 (i) upon request of a parent or guardian of the person; or
- 250 (ii) under administrative or court order; and
- 251 (t) fulfill the responsibilities described in Section 26B-1-430.
- 252 (3) The due process procedures described in Subsection (2)(g):
- 253 (a) shall include initial and periodic reviews to determine the constitutional appropriateness of the
placement; and
- 255 (b) with regard to facilities in the community, do not require commitment to the division.
- 256 (4) When the division makes amendments to a contract the division enters into under Subsection (2),
the division shall ~~{:~~ notify a provider under contract with the division at least 30 days before the
effective date of the amendments.
- 258 ~~{(a)} {~~{notify a provider under contract with the division at least 30 days before the effective date of
the amendments; and}~~}~~
- 260 ~~{(b)} {~~make reasonable efforts to ensure that the effective date of the amendments is on the first day of
a fiscal year.}~~}~~
- 293 Section 6. **Effective date.**

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Effective Date.

263 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.

264 (2) The actions affecting Section 26B-1-315 (Effective 07/01/26) (Repealed 07/01/34) take effect on July 1, 2026.

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