

## **The Utah Hospital Association Strongly Supports S.B. 126**

Utah Hospitals are in a “perfect storm” still dealing with COVID issues as well as historic inflation and supply chain issues and workforce shortages that have had significant negative financial implications.

Utah hospitals are the backbone of the Utah Medicaid program that serves hundreds of thousands of Utah citizens annually.

The federal government has allowed states for over 25 years to “assess” providers to pay the state share of Medicaid. Utah hospitals already have an inpatient hospital assessment that has been in operation for over a decade that is supported by the Legislature and Utah’s hospitals.

Currently, Utah hospitals are paid a different level of Medicaid reimbursement based on whether it is inpatient or outpatient services and whether the Medicaid patient joined Medicaid before or after Medicaid Expansion.

S.B. 126 expands the current Utah hospital assessment to bring reimbursement to the same level of percentage of reimbursement for all inpatient and outpatient Medicaid patients to the amount the federal government will allow. This bill will use the same process as we currently do that has been proven effective.

This bill will not cost the State of Utah anything. The assessment or state portion will come from the hospitals to draw down the additional federal funding. This bill will benefit the State of Utah, Utah’s Medicaid patients and Utah’s hospitals.

This is not a new process, just expanding current law. The Legislature has authorized or reauthorized similar hospital assessment laws at least 6 times over the last 25 years.

Under federal law, Utah’s public hospitals can do this without state legislation through an intergovernmental transfer and it is their intent to do that if this private hospital assessment law passes.