Sunset Review: Inpatient Hospital Assessment Act

STATE OF UTAH
DIVISION OF INTEGRATED HEALTHCARE
June 30, 2023

To: Health and Human Services Interim Committee

From: John Curless, Director, Medicaid Office of Financial Services

Subject: Sunset Review of 26B-3-5 "Inpatient Hospital Assessment Act"

Is/Did the statute/program accomplish[ing] its objective?

Yes, the statute is accomplishing its objective of funding 45% of a fee-for-service private hospital outpatient upper payment limit (UPL) supplemental payment program up to the cap set within the statute. The statute also funds a portion of the Targeted Adult Medicaid (TAM) Expansion up to the limit set.

Is the statute/program necessary? Does it need to continue? If so, for how long?

The statute is necessary to continue, for the foreseeable future, to allow the hospitals to fund the fee-for-service Private Hospital Outpatient UPL Program and the TAM Expansion.

- Without the assessment, the fee-for-service private outpatient UPL supplemental payments would cease and the hospitals would no longer receive these additional funds.
- Without the assessment, there would be a $11.9 million reduction in funding for the TAM Expansion. The Medicaid Expansion Fund that supports the TAM Expansion currently has a large surplus. This surplus was recently discussed in the legislative committee in regard to the state's overall reliance on federal funds to operate its programs. DHHS acknowledges the need to have further discussions with legislators about the future of the Medicaid Expansion Fund and the services provided through the Medicaid expansion programs.

DHHS recommends the sunset date for this assessment be extended at least a year to provide additional time to discuss the continuation of the fee-for-service private outpatient UPL supplemental payments, the future of the Medicaid Expansion Fund, and the services provided through the Medicaid expansion programs.

Are there ways to improve the statute/program?

No suggestions to improve the statute at this time.