

UTAH STATE SENATE

UTAH STATE CAPITOL COMPLEX • 320 STATE CAPITOL P.O. BOX 145115 • SALT LAKE CITY, UTAH 84114-5115 • (801) 538-1035

February 7, 2013

Mr. President:

The Health and Human Services Committee reports a favorable recommendation on **S.B. 166**, HOSPITAL PROVIDER ASSESSMENT AMENDMENTS, by Senator L. Hillyard, with the following amendments and recommends it be considered read for the second time and placed on the Consent Calendar.

- 1. Page 4, Line 111 through Page 5, Line 121:
 - 111 26-36a-203. Calculation of assessment.
 - [(1) The division shall calculate the inpatient upper payment limit gap for hospitals for
 - 113 each state fiscal year.
 - 114 $\left[\frac{2}{2}\right]$ (a) An annual assessment is payable on a quarterly basis for each hospital in
 - an amount calculated at a uniform assessment rate for each hospital discharge, in accordance
 - with this section.
 - 117 (b) The uniform assessment rate shall be determined using the total number of hospital
 - discharges for assessed hospitals divided into the total nonfederal portion [of the upper
 - 119 payment limit gap] in an amount { equal to the \$154 million } consistent with

 26-36a-205 that is needed to support capitated
 - 120 <u>rates for accountable care organizations for purposes of hospital services provided to Medicaid</u>
 - 121 <u>enrollees</u>.

Bill Number

Action Class

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2. *Page 8, Line 242 through Page 9, Line 245:*

- 242 Quarterly assessments imposed by this chapter shall be paid to the division within [10]
- 243 <u>15</u> business days after the [hospital receives its Medicaid inpatient hospital access payment due
- 244 for the applicable quarter under Section 26-36a-205] original invoice date that appears on the invoice issued by
- 245 the division.

3. Page 9, Lines 247 through 253:

- 247 26-36a-205. Medicaid hospital adjustment under accountable care organization
- 248 rates.
- 249 [(1)] To preserve and improve access to [hospitals] hospital services, the division shall
- 250 [make Medicaid inpatient hospital access payments to hospitals in accordance with this section.
- 251 Section 26-36a-204, and Subsection 26-36a-203(7)], for accountable care organization rates
- 252 <u>effective on or after April 1, 2013, incorporate an</u> <u>annualized</u> <u>amount equal to \$154</u> million into the
- 253 <u>accountable care organization rate structure</u> <u>calculation</u> <u>consistent with the certified</u> actuarial rate range.

4. Page 11, Line 328 through Page 12, Line 340:

- Section 7. Section **26-36a-207** is amended to read:
- 329 26-36a-207. Restricted Special Revenue Fund -- Creation -- Deposits.
- 330 (1) There is created a restricted special revenue fund known as the "Hospital Provider
- 331 Assessment Special Revenue Fund."
- 332 (2) The fund shall consist of:
- (a) the assessments collected by the department under this chapter;
- 334 (b) any interest and penalties levied with the administration of this chapter; and
- 335 (c) any other funds received as donations for the restricted fund and appropriations
- from other sources.

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- 337 (3) Money in the fund shall be used:
- [(a) to make inpatient hospital access payments under Section 26-36a-205; and]
- 339 (a) to support capitated rates consistent with 26-36a-203(1)(d) for accountable care organizations { in an amount equal to
- **340** \$154 million }; and

Respectfully,

Evan J. Vickers Committee Chair

Voting: 4-0-1

4 SB0166.SC1.WPD markandrews/MDA AKJ/MDA 2/7/13 2:43 pm