

1 **MEDICAID EXPANSION PROPOSAL**

2 2015 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Gene Davis**

5 House Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the Utah Health Code related to the state Medicaid program.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ requires the Department of Health to amend the state Medicaid plan to expand
13 Medicaid eligibility to the optional populations under the Patient Protection and
14 Affordable Care Act;

15 ▶ requires the General Fund savings associated with Medicaid expansion to be
16 deposited into the Medicaid Growth Reduction and Budget Stabilization Account to
17 be used to fund the future costs of Medicaid expansion;

18 ▶ repeals a provision requiring the governor to comply with certain requirements
19 before expanding Medicaid; and

20 ▶ provides that Medicaid expansion is repealed if federal funding decreases from the
21 Patient Protection and Affordable Care Act funding rates.

22 **Money Appropriated in this Bill:**

23 None

24 **Other Special Clauses:**

25 None

26 **Utah Code Sections Affected:**

27 AMENDS:



28 **63J-1-315**, as enacted by Laws of Utah 2011, Chapter 211

29 ENACTS:

30 **26-18-20**, Utah Code Annotated 1953

31 REPEALS:

32 **26-18-18**, as enacted by Laws of Utah 2013, Chapter 477



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

35 Section 1. Section **26-18-20** is enacted to read:

36 **26-18-20. Medicaid eligibility expansion.**

37 (1) For purposes of this section, "PPACA" means the same as that term is defined in
38 Section **31A-1-301**.

39 (2) The state shall, in accordance with this section and PPACA, amend its state
40 Medicaid plan to expand Medicaid eligibility to the optional Medicaid expansion population
41 under PPACA.

42 (3) (a) The department shall assist the Department of Finance with identifying savings
43 to the state General Fund associated with the expansion of Medicaid eligibility under this
44 section.

45 (b) The Department of Finance shall deposit the savings identified under Subsection
46 (3)(a) into the Medicaid Growth Reduction and Budget Stabilization Account in accordance
47 with Section **63J-1-315**.

48 (4) The Medicaid expansion under this section is repealed on the date of a certification
49 by the executive director that:

50 (a) Congress has taken an action that will reduce the federal financial participation for
51 the expansion population; and

52 (b) the reduction in federal financial participation exceeds the reductions described in
53 PPACA, Subsection 2001(a)(3).

54 Section 2. Section **63J-1-315** is amended to read:

55 **63J-1-315. Medicaid Growth Reduction and Budget Stabilization Account**
56 **--Transfers of Medicaid growth savings -- Base budget adjustments.**

57 (1) As used in this section:

58 (a) "Department" means the Department of Health created in Section **26-1-4**.

59 (b) "Division" means the Division of Health Care Financing created within the
60 department under Section 26-18-2.1.

61 (c) "General Fund revenue surplus" means a situation where actual General Fund
62 revenues collected in a completed fiscal year exceed the estimated revenues for the General
63 Fund for that fiscal year that were adopted by the Executive Appropriations Committee of the
64 Legislature.

65 (d) "Medicaid growth savings" means the Medicaid growth target minus Medicaid
66 program expenditures, if Medicaid program expenditures are less than the Medicaid growth
67 target.

68 (e) "Medicaid growth target" means Medicaid program expenditures for the previous
69 year multiplied by 1.08.

70 (f) "Medicaid program" is as defined in Section 26-18-2.

71 (g) "Medicaid program expenditures" means total state revenue expended for the
72 Medicaid program from the General Fund, including restricted accounts within the General
73 Fund, during a fiscal year.

74 (h) "Medicaid program expenditures for the previous year" means total state revenue
75 expended for the Medicaid program from the General Fund, including restricted accounts
76 within the General Fund, during the fiscal year immediately preceding a fiscal year for which
77 Medicaid program expenditures are calculated.

78 (i) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund
79 balance in the General Fund is less than zero.

80 (j) "State revenue" means revenue other than federal revenue.

81 (k) "State revenue expended for the Medicaid program" includes money transferred or
82 appropriated to the Medicaid Growth Reduction and Budget Stabilization Account only to the
83 extent the money is appropriated for the Medicaid program by the Legislature.

84 (2) There is created within the General Fund a restricted account to be known as the
85 Medicaid Growth Reduction and Budget Stabilization Account.

86 (3) (a) (i) Except as provided in Subsection (6), if, at the end of a fiscal year, there is a
87 General Fund revenue surplus, the Division of Finance shall transfer an amount equal to
88 Medicaid growth savings from the General Fund to the Medicaid Growth Reduction and
89 Budget Stabilization Account.

90 (ii) If the amount transferred is reduced to prevent an operating deficit, as provided in
91 Subsection (6), the Legislature shall include, to the extent revenue is available, an amount
92 equal to the reduction as an appropriation from the General Fund to the account in the base
93 budget for the second fiscal year following the fiscal year for which the reduction was made.

94 (b) If, at the end of a fiscal year, there is not a General Fund revenue surplus, the
95 Legislature shall include, to the extent revenue is available, an amount equal to Medicaid
96 growth savings as an appropriation from the General Fund to the account in the base budget for
97 the second fiscal year following the fiscal year for which the reduction was made.

98 (c) Subsections (3)(a) and (3)(b) apply only to the fiscal year in which the department
99 implements:

100 (i) the proposal developed under Section 26-18-405 to reduce the long-term growth in
101 state expenditures for the Medicaid program, and to each fiscal year after that year[-]; or

102 (ii) expansion of Medicaid eligibility under Section 26-18-20.

103 (4) The Division of Finance shall calculate the amount to be transferred under
104 Subsection (3):

105 (a) before transferring revenue from the General Fund revenue surplus to:

106 (i) the General Fund Budget Reserve Account under Section 63J-1-312 and;

107 (ii) the State Disaster Recovery Restricted Account under Section 63J-1-314;

108 (b) before earmarking revenue from the General Fund revenue surplus to the Industrial
109 Assistance Account under Section 63M-1-905; and

110 (c) before making any other year-end contingency appropriations, year-end set-asides,
111 or other year-end transfers required by law.

112 (5) (a) If, at the close of any fiscal year, there appears to be insufficient money to pay
113 additional debt service for any bonded debt authorized by the Legislature, the Division of
114 Finance may hold back from any General Fund revenue surplus money sufficient to pay the
115 additional debt service requirements resulting from issuance of bonded debt that was
116 authorized by the Legislature.

117 (b) The Division of Finance may not spend the hold back amount for debt service
118 under Subsection (5)(a) unless and until it is appropriated by the Legislature.

119 (c) If, after calculating the amount for transfer under Subsection (3), the remaining
120 General Fund revenue surplus is insufficient to cover the hold back for debt service required by

121 Subsection (5)(a), the Division of Finance shall reduce the transfer to the Medicaid Growth
122 Reduction and Budget Stabilization Account by the amount necessary to cover the debt service
123 hold back.

124 (d) Notwithstanding Subsections (3) and (4), the Division of Finance shall hold back
125 the General Fund balance for debt service authorized by this Subsection (5) before making any
126 transfers to the Medicaid Growth Reduction and Budget Stabilization Account or any other
127 designation or allocation of General Fund revenue surplus.

128 (6) Notwithstanding Subsections (3) and (4), if, at the end of a fiscal year, the Division
129 of Finance determines that an operating deficit exists and that holding back earmarks to the
130 Industrial Assistance Account under Section [63M-1-905](#), transfers to the State Disaster
131 Recovery Restricted Account under Section [63J-1-314](#), transfers to the General Fund Budget
132 Reserve Account under Section [63J-1-312](#), or earmarks and transfers to more than one of those
133 accounts, in that order, does not eliminate the operating deficit, the Division of Finance may
134 reduce the transfer to the Medicaid Growth Reduction and Budget Stabilization Account by the
135 amount necessary to eliminate the operating deficit.

136 (7) The Legislature may appropriate money from the Medicaid Growth Reduction and
137 Budget Stabilization Account only:

138 (a) (i) if Medicaid program expenditures for the fiscal year for which the appropriation
139 is made are estimated to be 108% or more of Medicaid program expenditures for the previous
140 year; and

141 [~~(b)~~] (ii) for the Medicaid program[-]; or

142 (b) to fund Medicaid expansion under Section [26-18-20](#).

143 (8) The Division of Finance shall deposit interest or other earnings derived from
144 investment of Medicaid Growth Reduction and Budget Stabilization Account money into the
145 General Fund.

146 Section 3. **Repealer.**

147 This bill repeals:

148 Section [26-18-18](#), **Optional Medicaid expansion.**

Legislative Review Note
as of 1-15-15 8:30 AM

Office of Legislative Research and General Counsel