

1                   **MEDICAID ACCOUNTABLE CARE ORGANIZATIONS**

2                                   2015 GENERAL SESSION

3                                   STATE OF UTAH

4                                   **Chief Sponsor: J. Stuart Adams**

5                                   House Sponsor: James A. Dunnigan

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7   **LONG TITLE**

8   **General Description:**

9           This bill requires base budgets to include funding for Medicaid accountable care  
10 organizations at specified amounts.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ provides definitions;
- 14           ▶ requires base budgets to include funding for Medicaid accountable care  
15 organizations at specified amounts; and
- 16           ▶ requires the Governor's Office of Management and Budget to provide the  
17 Department of Health and the Office of the Legislative Fiscal Analyst with an  
18 estimate of ongoing General Fund revenue for the next fiscal year no later than  
19 September 1 of each year.

20 **Money Appropriated in this Bill:**

21           None

22 **Other Special Clauses:**

23           This bill provides a special effective date.

24 **Utah Code Sections Affected:**

25 ENACTS:

26           **26-18-405.5**, Utah Code Annotated 1953



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

29 Section 1. Section **26-18-405.5** is enacted to read:

30 **26-18-405.5. Base budget appropriations for Medicaid accountable care**  
31 **organizations.**

32 (1) For purposes of this section:

33 (a) "ACOs" means accountable care organizations.

34 (b) "Base budget" means the same as that term is defined in legislative rule.

35 (c) "General Fund growth factor" means the amount determined by dividing the next  
36 fiscal year ongoing General Fund revenue estimate by current fiscal year ongoing  
37 appropriations from the General Fund.

38 (d) "Next fiscal year ongoing General Fund revenue estimate" means the next fiscal  
39 year ongoing General Fund revenue estimate identified by the Executive Appropriations  
40 Subcommittee, in accordance with legislative rule, for use by the Office of the Legislative  
41 Fiscal Analyst in preparing budget recommendations.

42 (e) "PMPM" means per-member-per-month funding for Medicaid accountable care  
43 organizations under the Department of Health in the current fiscal year.

44 (2) If the General Fund growth factor is less than 100%, the next fiscal year base  
45 budget shall include an appropriation to the Department of Health for Medicaid ACOs equal to  
46 PMPM multiplied by 100%.

47 (3) If the General Fund growth factor is greater than or equal to 100%, but less than  
48 102%, the next fiscal year base budget shall include an appropriation to the Department of  
49 Health for Medicaid ACOs equal to PMPM multiplied by the General Fund growth factor.

50 (4) If the General Fund growth factor is greater than or equal to 102%, the next fiscal  
51 year base budget shall include an appropriation to the Department of Health for Medicaid  
52 ACOs greater than or equal to PMPM multiplied by 102% and less than or equal to PMPM  
53 multiplied by the General Fund growth factor.

54 (5) In order for the department to estimate the impact of Subsections (2) through (4)  
55 prior to identification of the next fiscal year ongoing General Fund revenue estimate under  
56 Subsection (1)(d), the Governor's Office of Management and Budget shall provide the  
57 department and the Office of the Legislative Fiscal Analyst with an estimate of ongoing  
58 General Fund revenue for the next fiscal year no later than September 1 of each year.

59 Section 2. **Effective date.**

60 This bill takes effect on July 1, 2015.

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**Legislative Review Note**  
as of 1-21-15 9:15 AM

**Office of Legislative Research and General Counsel**