

Senator J. Stuart Adams proposes the following substitute bill:

MEDICAID ACCOUNTABLE CARE ORGANIZATIONS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: J. Stuart Adams

House Sponsor: James A. Dunnigan

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

ENACTS:



26 26-18-405.5, Utah Code Annotated 1953

27

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

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

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

44 (f) "Next fiscal year PMPM" means per-member-per-month funding for Medicaid
45 accountable care organizations under the Department of Health for the next fiscal year.

46 (2) If the General Fund growth factor is less than 100%, the next fiscal year base
47 budget shall include an appropriation to the Department of Health for Medicaid ACOs in an
48 amount necessary to ensure that next fiscal year PMPM equals current fiscal year PMPM
49 multiplied by 100%.

50 (3) If the General Fund growth factor is greater than or equal to 100%, but less than
51 102%, the next fiscal year base budget shall include an appropriation to the Department of
52 Health for Medicaid ACOs in an amount necessary to ensure that next fiscal year PMPM
53 equals current fiscal year PMPM multiplied by the General Fund growth factor.

54 (4) If the General Fund growth factor is greater than or equal to 102%, the next fiscal
55 year base budget shall include an appropriation to the Department of Health for Medicaid
56 ACOs in an amount necessary to ensure that next fiscal year PMPM is greater than or equal to

57 PMPM multiplied by 102% and less than or equal to current fiscal year PMPM multiplied by
58 the General Fund growth factor.

59 (5) In order for the department to estimate the impact of Subsections (2) through (4)
60 prior to identification of the next fiscal year ongoing General Fund revenue estimate under
61 Subsection (1)(e), the Governor's Office of Management and Budget shall, in cooperation with
62 the Office of the Legislative Fiscal Analyst, develop an estimate of ongoing General Fund
63 revenue for the next fiscal year and provide it to the department no later than September 1 of
64 each year.

65 Section 2. **Effective date.**

66 This bill takes effect on July 1, 2015.