

Senator Daniel Hemmert proposes the following substitute bill:

MEDICAID WAIVER AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel Hemmert

House Sponsor: Adam Robertson

LONG TITLE

General Description:

This bill authorizes certain changes and waivers for the Medicaid program.

Highlighted Provisions:

This bill:

- ▶ requires the Department of Health to implement certain changes to the Medicaid program;
- ▶ authorizes the Department of Health to apply for waivers or a state plan amendment if necessary to implement the changes in this bill;
- ▶ creates various reporting requirements; and
- ▶ creates repeal dates for the reporting requirements in this bill.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

63I-2-226, as last amended by Laws of Utah 2017, Chapters 126, 155, 413, and 419

ENACTS:



26 [26-18-415](#), Utah Code Annotated 1953

27 [26-18-416](#), Utah Code Annotated 1953

28 **Utah Code Sections Affected by Coordination Clause:**

29 [26-18-415](#), Utah Code Annotated 1953

30 [26-18-416](#), Utah Code Annotated 1953

31

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

33 Section 1. Section **26-18-415** is enacted to read:

34 **26-18-415. Medicaid reform waivers -- Reporting requirements.**

35 (1) (a) The department shall implement a work and community engagement
36 requirement for certain eligibility groups in the Medicaid program.

37 (b) The work and community engagement requirement described in Subsection (1)(a)
38 does not apply to a person who is:

39 (i) a child;

40 (ii) pregnant;

41 (iii) disabled;

42 (iv) aged;

43 (v) a primary care giver; or

44 (vi) an independent foster care adolescent as defined in Section [26-18-403](#).

45 (2) The department shall design and implement a pilot program that provides a 12 to 24
46 month medical savings account for certain enrollees in the Medicaid program.

47 (3) Before January 1, 2019, the department shall study and report to the Social Services
48 Appropriations Subcommittee on options for limiting retroactive eligibility for certain
49 eligibility groups.

50 (4) The department:

51 (a) if the waiver described in Section [26-18-416](#) is not approved, may not implement
52 the components described in Subsections (1) and (2) without federal matching funds at a rate
53 that is greater than or equal to the federal medical assistance percentage, as defined in 42
54 U.S.C. Sec. 1396d(b); and

55 (b) shall design the components described in Subsections (1) through (3) to:

56 (i) reduce the cost of the Medicaid program to the state;

57 (ii) promote enrollee health and self-sufficiency; and
58 (iii) create incentives to utilize health care resources wisely.
59 (5) If necessary to implement the components described in Subsections (1) and (2), the
60 department shall apply for a waiver or a state plan amendment with the Center for Medicare
61 and Medicaid Services within the United States Department of Health and Human Services:
62 (a) before January 1, 2019, to implement the components described in Subsection (1);
63 and
64 (b) before July 1, 2019, to implement the component described in Subsection (2).
65 (6) (a) Before January 1, 2019, the department shall report to the Social Services
66 Appropriations Subcommittee and the Health and Human Services Interim Committee on
67 options for creating a Medicaid waiver request that would authorize the state to limit Medicaid
68 spending growth by limiting the services received by one or more Medicaid eligibility groups.
69 (b) The options developed by the department in Subsection (6)(a) shall:
70 (i) consider the clinical effectiveness and cost of services covered by the Medicaid
71 program;
72 (ii) require a public stakeholder process that includes an opportunity for submission of
73 public comment for review by the department; and
74 (iii) be designed to reduce the costs of the Medicaid program to the state.
75 (7) Before January 1, 2019, the department and the Department of Workforce Services
76 shall report to the Social Services Appropriations Subcommittee and the Health and Human
77 Services Interim Committee on:
78 (a) processes that the Department of Workforce Services uses for determining and
79 verifying eligibility for the Medicaid program; and
80 (b) recommendations to improve the accuracy and reduce the cost of determining and
81 verifying eligibility for the Medicaid program.
82 Section 2. Section **26-18-416** is enacted to read:
83 **26-18-416. Medicaid block grant waiver -- Reporting requirement.**
84 (1) Before January 1, 2019, the department shall apply for a Medicaid waiver with the
85 Centers for Medicare and Medicaid Services within the United States Department of Health
86 and Human Services to implement the proposal developed under Subsection (2).
87 (2) The department shall develop a proposal for the state to administer the Medicaid

88 program, or a portion of the Medicaid program:

89 (a) with federal funds provided to the state according to a per capita block grant

90 formula by eligibility group developed by the department that:

91 (i) includes an annual inflationary adjustment;

92 (ii) accounts for differences in cost among categories of Medicaid eligibility; and

93 (iii) provides greater flexibility to the state than the current Medicaid payment model;

94 and

95 (b) in a manner that increases the state's control over:

96 (i) the types of services provided;

97 (ii) the manner in which services are delivered and paid for;

98 (iii) eligibility requirements; and

99 (iv) enrollee cost sharing.

100 (3) (a) Before October 1, 2018, and in accordance with the requirements in Subsection
101 26-18-3(3), the department shall report to the Social Services Appropriations Subcommittee
102 and the Health Reform Task Force on the proposal developed under Subsection (2).

103 (b) After submitting the waiver application under Subsection (1), the department shall
104 report any modifications to the waiver application to the Social Services Appropriations
105 Subcommittee and the Health Reform Task Force.

106 Section 3. Section **63I-2-226** is amended to read:

107 **63I-2-226. Repeal dates -- Title 26.**

108 (1) Section **26-8a-107** is repealed July 1, 2019.

109 (2) Subsections **26-10-12**(2) and (4) are repealed July 1, 2017.

110 (3) Subsections **26-18-415**(7) and (8) are repealed January 1, 2022.

111 (4) Subsection **26-18-416**(3) is repealed January 1, 2025.

112 [~~3~~] (5) Title 26, Chapter 46, Utah Health Care Workforce Financial Assistance
113 Program, is repealed July 1, 2027.

114 [~~4~~] (6) Title 26, Chapter 59, Telehealth Pilot Program, is repealed January 1, 2020.

115 Section 4. **Coordinating S.B. 172 with H.B. 325 -- Substantive and technical**
116 **amendments.**

117 If this S.B. 172 and H.B. 325, Primary Care Network Amendments, both pass and
118 become law, it is the intent of the Legislature that the Office of Legislative Research and

119 General Counsel shall prepare the Utah Code database for publication by making the following
120 changes:

121 (1) modify Section 26-18-415 in S.B. 172 to read:

122 **"26-18-415. Medicaid reform waivers -- Reporting requirements.**

123 (1) As used in this section, "decision date" means the day on which the division:

124 (a) receives a notice from the Centers for Medicare and Medicaid Services that the
125 waiver submitted under Section 26-18-415, Primary Care Network enhancement waiver
126 program, will not be approved; or

127 (b) withdraws the waiver submitted under Section 26-18-415, Primary Care Network
128 enhancement waiver program.

129 (2) (a) The department shall implement a work and community engagement
130 requirement for certain eligibility groups in the Medicaid program.

131 (b) The work and community engagement requirement described in Subsection (2)(a)
132 does not apply to a person who is:

133 (i) a child;

134 (ii) pregnant;

135 (iii) disabled;

136 (iv) aged;

137 (v) a primary care giver; or

138 (vi) an independent foster care adolescent as defined in Section 26-18-403.

139 (3) The department shall design and implement a pilot program that provides a 12 to 24
140 month medical savings account for certain enrollees in the Medicaid program.

141 (4) Before January 1, 2019, the department shall study and report to the Social Services
142 Appropriations Subcommittee on options for limiting retroactive eligibility for certain
143 eligibility groups.

144 (5) The department:

145 (a) if the waiver described in Section 26-18-416 is not approved, may not implement
146 the components described in Subsections (2) and (3) without federal matching funds at a rate
147 that is greater than or equal to the federal medical assistance percentage, as defined in 42
148 U.S.C. Sec. 1396d(b); and

149 (b) shall design the components described in Subsections (2) through (4) to:

150 (i) reduce the cost of the Medicaid program to the state;
151 (ii) promote enrollee health and self-sufficiency; and
152 (iii) create incentives to utilize health care resources wisely.
153 (6) If necessary to implement the components described in Subsections (2) and (3), the
154 department shall apply for a waiver or a state plan amendment with the Center for Medicare
155 and Medicaid Services within the United States Department of Health and Human Services:
156 (a) within eight months after the decision date, to implement the components described
157 in Subsection (2); and
158 (b) within 12 months after the decision date, to implement the component described in
159 Subsection (3).
160 (7) (a) Before January 1, 2019, the department shall report to the Social Services
161 Appropriations Subcommittee and the Health and Human Services Interim Committee on
162 options for creating a Medicaid waiver request that would authorize the state to limit Medicaid
163 spending growth by limiting the services received by one or more Medicaid eligibility groups.
164 (b) The options developed by the department in Subsection (7)(a) shall:
165 (i) consider the clinical effectiveness and cost of services covered by the Medicaid
166 program;
167 (ii) require a public stakeholder process that includes an opportunity for submission of
168 public comment for review by the department; and
169 (iii) be designed to reduce the costs of the Medicaid program to the state.
170 (8) Before January 1, 2019, the department and the Department of Workforce Services
171 shall report to the Social Services Appropriations Subcommittee and the Health and Human
172 Services Interim Committee on:
173 (a) processes that the Department of Workforce Services uses for determining and
174 verifying eligibility for the Medicaid program; and
175 (b) recommendations to improve the accuracy and reduce the cost of determining and
176 verifying eligibility for the Medicaid program."; and
177 (2) modify Section 26-18-416 to read:
178 **"26-18-416. Medicaid block grant waiver -- Reporting requirement.**
179 (1) As used in this section, "decision date" means the day on which the division:
180 (a) receives a notice from the Centers for Medicare and Medicaid Services that the

181 waiver submitted under Section 26-18-415, Primary Care Network enhancement waiver
182 program, will not be approved; or

183 (b) withdraws the waiver submitted under Section 26-18-415, Primary Care Network
184 enhancement waiver program.

185 (2) Within eight months after the decision date, the department shall apply for a
186 Medicaid waiver with the Centers for Medicare and Medicaid Services within the United States
187 Department of Health and Human Services to implement the proposal developed under
188 Subsection (3).

189 (3) The department shall develop a proposal for the state to administer the Medicaid
190 program, or a portion of the Medicaid program:

191 (a) with federal funds provided to the state according to a per capita block grant
192 formula by eligibility group developed by the department that:

193 (i) includes an annual inflationary adjustment;

194 (ii) accounts for differences in cost among categories of Medicaid eligibility; and

195 (iii) provides greater flexibility to the state than the current Medicaid payment model;

196 and

197 (b) in a manner that increases the state's control over:

198 (i) the types of services provided;

199 (ii) the manner in which services are delivered and paid for;

200 (iii) eligibility requirements; and

201 (iv) enrollee cost sharing.

202 (4) (a) Within six months after the decision date, and in accordance with the
203 requirements in Subsection 26-18-3(3), the department shall report to the Social Services
204 Appropriations Subcommittee and the Health Reform Task Force on the proposal developed
205 under Subsection (3).

206 (b) After submitting the waiver application under Subsection (2), the department shall
207 report any modifications to the waiver application to the Social Services Appropriations
208 Subcommittee and the Health Reform Task Force."