

MEDICAID EXPANSION ADJUSTMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Allen M. Christensen

House Sponsor: James A. Dunnigan

LONG TITLE

General Description:

This bill amends provisions relating to the state Medicaid program and the state sales tax.

Highlighted Provisions:

This bill:

- ▶ makes changes to eligibility for and administration of the state Medicaid program;
- ▶ directs the Department of Health to continue to seek approval from the federal government to implement a Medicaid expansion;
- ▶ directs the Department of Health to seek approval from the federal government to expand eligibility for the Medicaid program to individuals whose income is below 100% of the federal poverty level in a manner that:
 - incorporates a per capita cap on federal reimbursement;
 - limits presumptive eligibility;
 - imposes a lock-out period for individuals who violate certain program requirements;
 - gives enrollees continuous eligibility for a period of up to 12 months;
 - allows Medicaid funds to be used for housing supports for certain enrollees; and
 - permits the state to limit enrollment;
- ▶ if the federal government does not approve an expansion in the manner requested by the department, directs the department to expand eligibility for the Medicaid program to individuals whose income is below 138% of the federal poverty level, with certain cost controls;

30 ▶ if the department expands eligibility for the Medicaid program to individuals whose
31 income is below 138% of the federal poverty level and the cost of the expansion
32 exceeds the amounts appropriated:

33 • permits the Department of Health to seek additional waivers to control costs of
34 the Medicaid expansion;

35 • permits the Department of Health to reduce certain optional Medicaid services;
36 and

37 • directs a cut of up to 10% of certain agency appropriations sufficient to cover
38 the costs of the expansion;

39 ▶ amends provisions related to various hospital assessments;

40 ▶ amends provisions related to the state sales tax; and

41 ▶ makes technical changes.

42 **Money Appropriated in this Bill:**

43 This bill appropriates in fiscal year 2019:

44 ▶ to Department of Health - Medicaid Services, as a one-time appropriation:

45 • from the General Fund, One-time, (\$14,900,000).

46 ▶ to Department of Health - Medicaid Expansion Fund, as a one-time appropriation:

47 • from the General Fund, One-time, \$38,200,000; and

48 • from the General Fund Restricted - Medicaid Restricted Account, One-time,
49 \$1,200,000.

50 This bill appropriates in fiscal year 2020:

51 ▶ to Department of Health - Children's Health Insurance Program, as a One-time
52 appropriation:

53 • from the General Fund, One-time, (\$18,663,900).

54 ▶ to Department of Health - Medicaid Services, as a One-time appropriation:

55 • from the General Fund Restricted - Medicaid Restricted Account, One-time,
56 \$16,800,000.

57 ▶ to Department of Health - Medicaid Expansion Fund, as an ongoing appropriation:

58 • from the General Fund, \$15,000,000.

59 **Other Special Clauses:**

60 This bill provides a special effective date.

61 **Utah Code Sections Affected:**

62 AMENDS:

63 **26-18-3.1**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018

64 **26-18-3.9**, as enacted by Statewide Initiative -- Proposition 3, Nov. 6, 2018

65 **26-18-415**, as enacted by Laws of Utah 2018, Chapter 468

66 **26-36b-103**, as last amended by Laws of Utah 2018, Chapters 285, 316, 384, and 468

67 **26-36b-208**, as last amended by Laws of Utah 2018, Chapters 384 and 468

68 **26-36c-102**, as enacted by Laws of Utah 2018, Chapter 468

69 **26-36c-201**, as enacted by Laws of Utah 2018, Chapter 468

70 **26-36c-203**, as enacted by Laws of Utah 2018, Chapter 468

71 **26-36c-204**, as enacted by Laws of Utah 2018, Chapter 468

72 **26-36c-206**, as enacted by Laws of Utah 2018, Chapter 468

73 **26-36c-208**, as enacted by Laws of Utah 2018, Chapter 468

74 **26-36c-209**, as enacted by Laws of Utah 2018, Chapter 468

75 **59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018

76

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

78 Section 1. Section **26-18-3.1** is amended to read:

79 **26-18-3.1. Medicaid expansion.**

80 (1) The purpose of this section is to expand the coverage of the Medicaid program to
81 persons who are in categories traditionally not served by that program.

82 (2) Within appropriations from the Legislature, the department may amend the state
83 plan for medical assistance to provide for eligibility for Medicaid:

84 (a) on or after July 1, 1994, for children 12 to 17 years old who live in households
85 below the federal poverty income guideline; and

86 (b) on or after July 1, 1995, for persons who have incomes below the federal poverty
87 income guideline and who are aged, blind, or have a disability.

88 (3) (a) Within appropriations from the Legislature, on or after July 1, 1996, the
89 Medicaid program may provide for eligibility for persons who have incomes below the federal
90 poverty income guideline.

91 (b) In order to meet the provisions of this subsection, the department may seek
92 approval for a demonstration project under 42 U.S.C. [Section] Sec. 1315 from the secretary of
93 the United States Department of Health and Human Services. This demonstration project may
94 also provide for the voluntary participation of private firms that:

- 95 (i) are newly established or marginally profitable;
96 (ii) do not provide health insurance to their employees;
97 (iii) employ predominantly low wage workers; and
98 (iv) are unable to obtain adequate and affordable health care insurance in the private
99 market.

100 (4) The Medicaid program shall provide for eligibility for persons as required by
101 [Section] Subsection 26-18-3.9(2).

102 (5) [~~Subject to the requirements of Section 26-18-3.9(2) and (3), services~~] Services
103 available for persons described in this section shall include required Medicaid services and may
104 include one or more optional Medicaid services if those services are funded by the Legislature.
105 [~~Subject to the requirements of Section 26-18-3.9(2), the~~] The department may also require
106 persons described in [~~this section~~] Subsections (1) through (3) to meet an asset test.

107 Section 2. Section **26-18-3.9** is amended to read:

108 **26-18-3.9. Expanding the Medicaid program.**

109 [~~(1) Findings and purpose.~~]

110 [~~(a) Findings. The People of the State of Utah find that:~~]

111 [~~(i) Adequate medical care is crucial to the health and welfare of the residents of Utah;~~]

112 [~~(ii) It is essential that all Utahns have access to medical care, including preventive
113 care, emergency services, and hospital care;~~]

114 ~~[(iii) Utah’s Medicaid program and CHHP provide care to Utahns who are unable to~~
115 ~~afford private health insurance and are not eligible for other health insurance. Medicaid and~~
116 ~~CHHP are vital parts of the Utah health care system and it is essential that they continue to~~
117 ~~provide health care for the most vulnerable citizens of our state;]~~

118 ~~[(iv) However, over 250,000 Utahns remain uninsured and do not have adequate access~~
119 ~~to health care. Over 100,000 of the uninsured would be covered by Medicaid if the State of~~
120 ~~Utah were to expand eligibility to all individuals who are in the federal optional Medicaid~~
121 ~~expansion population, as defined as of January 1, 2017;]~~

122 ~~[(v) When people don’t have access to care they are far more likely to develop chronic~~
123 ~~conditions, like diabetes or asthma, that often require expensive treatment for a patient’s entire~~
124 ~~life, resulting in unnecessary suffering and driving up the cost of healthcare;]~~

125 ~~[(vi) When medical providers provide care for which patients are not insured, the cost~~
126 ~~of that care is passed on to others, thus increasing the cost of medical care for all Utah~~
127 ~~residents;]~~

128 ~~[(vii) It is critical to the survival of the Medicaid program that it remain adequately~~
129 ~~funded so that it can provide needed medical services to those who otherwise would not have~~
130 ~~access to care, and can compensate the providers who serve participants. The compensation to~~
131 ~~providers must be adequate to encourage providers to continue to treat patients on Medicaid;~~
132 ~~and]~~

133 ~~[(viii) From moral, health and fiscal perspectives, protecting and expanding the~~
134 ~~Medicaid program in Utah is essential to maintaining the quality of life in our state.]~~

135 ~~[(b) Purpose. The purpose of this measure is to preserve and strengthen medical care~~
136 ~~in the State of Utah by the following:]~~

137 ~~[(i) Protecting Medicaid and CHHP so that they can continue to provide medical care to~~
138 ~~those who are currently eligible, and]~~

139 ~~[(ii) Expanding Medicaid eligibility to adults who are in the federal optional Medicaid~~
140 ~~expansion population, as defined as of January 1, 2017;]~~

141 (1) As used in this section:

142 (a) "CMS" means the Centers for Medicare and Medicaid Services in the United States
143 Department of Health and Human Services.

144 (b) "Federal poverty level" means the same as that term is defined in Section
145 26-18-411.

146 (c) "Medicaid expansion" means an expansion of the Medicaid program in accordance
147 with this section.

148 (d) "Medicaid Expansion Fund" means the Medicaid Expansion Fund created in
149 Section 26-36b-208.

150 (2) (a) ~~[Eligibility.]~~ As set forth in Subsections (2)~~[(a)]~~ through ~~[(2)(d)]~~ (5), eligibility
151 criteria for the Medicaid program shall be ~~[maintained as they existed on January 1, 2017 and~~
152 ~~also]~~ expanded to cover additional low-income individuals.

153 ~~[(a) The standards, methodologies, and procedures for determining eligibility for the~~
154 ~~Medicaid program and CHIP shall be no more restrictive than the eligibility standards,~~
155 ~~methodologies, and procedures, respectively, that were in effect on January 1, 2017.]~~

156 (b) The department shall continue to seek approval from CMS to implement the
157 Medicaid waiver expansion as defined in Section 26-18-415.

158 (c) The department may implement any provision described in Subsections
159 26-18-415(2)(b)(iii) through (viii) in a Medicaid expansion if the department receives approval
160 from CMS to implement that provision.

161 (3) The department shall expand the Medicaid program in accordance with this
162 Subsection (3) if the department:

163 (a) receives approval from CMS to:

164 (i) expand Medicaid coverage to eligible individuals whose income is below 95% of
165 the federal poverty level;

166 (ii) obtain maximum federal financial participation under 42 U.S.C. Sec. 1396d(b) for
167 enrolling an individual in the Medicaid expansion under this Subsection (3); and

168 (iii) permit the state to close enrollment in the Medicaid expansion under this
169 Subsection (3) if the department has insufficient funds to provide services to new enrollment

170 under the Medicaid expansion under this Subsection (3);

171 (b) pays the state portion of costs for the Medicaid expansion under this Subsection (3)
172 with funds from:

173 (i) the Medicaid Expansion Fund;

174 (ii) county contributions to the nonfederal share of Medicaid expenditures; or

175 (iii) any other contributions, funds, or transfers from a nonstate agency for Medicaid
176 expenditures; and

177 (c) closes the Medicaid program to new enrollment under the Medicaid expansion
178 under this Subsection (3) if the department projects that the cost of the Medicaid expansion
179 under this Subsection (3) will exceed the appropriations for the fiscal year that are authorized
180 by the Legislature through an appropriations act adopted in accordance with Title 63J, Chapter
181 1, Budgetary Procedures Act.

182 (4) (a) The department shall expand the Medicaid program in accordance with this
183 Subsection (4) if the department:

184 (i) receives approval from CMS to:

185 (A) expand Medicaid coverage to eligible individuals whose income is below 95% of
186 the federal poverty level;

187 (B) obtain maximum federal financial participation under 42 U.S.C. Sec. 1396d(y) for
188 enrolling an individual in the Medicaid expansion under this Subsection (4); and

189 (C) permit the state to close enrollment in the Medicaid expansion under this
190 Subsection (4) if the department has insufficient funds to provide services to new enrollment
191 under the Medicaid expansion under this Subsection (4);

192 (ii) pays the state portion of costs for the Medicaid expansion under this Subsection (4)
193 with funds from:

194 (A) the Medicaid Expansion Fund;

195 (B) county contributions to the nonfederal share of Medicaid expenditures; or

196 (C) any other contributions, funds, or transfers from a nonstate agency for Medicaid
197 expenditures; and

198 (iii) closes the Medicaid program to new enrollment under the Medicaid expansion
199 under this Subsection (4) if the department projects that the cost of the Medicaid expansion
200 under this Subsection (4) will exceed the appropriations for the fiscal year that are authorized
201 by the Legislature through an appropriations act adopted in accordance with Title 63J, Chapter
202 1, Budgetary Procedures Act.

203 (b) The department shall submit a waiver, an amendment to an existing waiver, or a
204 state plan amendment to CMS to:

205 (i) administer federal funds for the Medicaid expansion under this Subsection (4)
206 according to a per capita cap developed by the department that includes an annual inflationary
207 adjustment, accounts for differences in cost among categories of Medicaid expansion enrollees,
208 and provides greater flexibility to the state than the current Medicaid payment model;

209 (ii) limit, in certain circumstances as defined by the department, the ability of a
210 qualified entity to determine presumptive eligibility for Medicaid coverage for an individual
211 enrolled in a Medicaid expansion under this Subsection (4);

212 (iii) impose a lock-out period if an individual enrolled in a Medicaid expansion under
213 this Subsection (4) violates certain program requirements as defined by the department;

214 (iv) allow an individual enrolled in a Medicaid expansion under this Subsection (4) to
215 remain in the Medicaid program for up to a 12-month certification period as defined by the
216 department; and

217 (v) allow federal Medicaid funds to be used for housing support for eligible enrollees
218 in the Medicaid expansion under this Subsection (4).

219 (5) (a) (i) If CMS does not approve a waiver to expand the Medicaid program in
220 accordance with Subsection (4)(a) on or before January 1, 2020, the department shall develop
221 proposals to implement additional flexibilities and cost controls, including cost sharing tools,
222 within a Medicaid expansion under this Subsection (5) through a request to CMS for a waiver
223 or state plan amendment.

224 (ii) The request for a waiver or state plan amendment described in Subsection (5)(a)(i)
225 shall include:

226 (A) a path to self-sufficiency for qualified adults in the Medicaid expansion that
227 includes employment and training as defined in 7 U.S.C. Sec. 2015(d)(4); and

228 (B) a requirement that an individual who is offered a private health benefit plan by an
229 employer to enroll in the employer's health plan.

230 (iii) The department shall submit the request for a waiver or state plan amendment
231 developed under Subsection (5)(a)(i) on or before March 15, 2020.

232 (b) Notwithstanding Sections 26-18-18 and 63J-5-204, ~~[beginning April 1, 2019,]~~ and
233 in accordance with this Subsection (5), eligibility for the Medicaid program shall be expanded
234 to include all persons in the optional Medicaid expansion population under the Patient
235 Protection and Affordable Care Act, Pub. L. No. 111-148 and the Health Care Education
236 Reconciliation Act of 2010, Pub. L. No. 111-152, and related federal regulations and
237 guidance~~[, as those statutory and regulatory provisions and guidance existed on January 1,~~
238 ~~2017], on the earlier of:~~

239 (i) the day on which CMS approves a waiver to implement the provisions described in
240 Subsections (5)(a)(ii)(A) and (B); or

241 (ii) July 1, 2020.

242 ~~[(c) There shall be no caps on enrollment beyond those in place as of January 1, 2017.]~~

243 (c) The department shall seek a waiver, or an amendment to an existing waiver, from
244 federal law to:

245 (i) implement each provision described in Subsections 26-18-415(2)(b)(iii) through
246 (viii) in a Medicaid expansion under this Subsection (5);

247 (ii) limit, in certain circumstances as defined by the department, the ability of a
248 qualified entity to determine presumptive eligibility for Medicaid coverage for an individual
249 enrolled in a Medicaid expansion under this Subsection (5); and

250 (iii) impose a lock-out period if an individual enrolled in a Medicaid expansion under
251 this Subsection (5) violates certain program requirements as defined by the department.

252 (d) The eligibility criteria in this Subsection [(2)(b)] (5) shall be construed to include
253 all individuals eligible for the health coverage improvement program under Section 26-18-411.

254 ~~[(3) Care and Services. For each enrollment group or category in the Medicaid~~
255 ~~program and CHHP, the categories of care or services and the types of benefits provided in each~~
256 ~~category shall be no more restrictive than the categories of care or services and the types of~~
257 ~~benefits provided on January 1, 2017. Such services and benefits shall be provided in~~
258 ~~sufficient amount, duration, and scope to achieve their purposes.]~~

259 ~~[(4) Out-of-Pocket Costs. Any premium, beneficiary enrollment fee, and cost sharing~~
260 ~~requirement applicable to care and services described in this section, including but not limited~~
261 ~~to co-pay, co-insurance, deductible, or out-of-pocket maximum, shall be no greater than those~~
262 ~~in effect on January 1, 2017.]~~

263 ~~[(5) Provider payments:]~~

264 ~~[(a) Payments to providers under the Medicaid program and CHHP for covered care and~~
265 ~~services shall be made at a rate not less than 100% of the payment rate that applied to such care~~
266 ~~and services on January 1, 2017, and shall increase annually at a rate not less than the region's~~
267 ~~Consumer Price Index.]~~

268 ~~[(b) Managed care:]~~

269 ~~[(i) If the department contracts with an accountable care organization or other~~
270 ~~organization to cover care and services under the Medicaid program or CHHP, a contract with~~
271 ~~that organization shall provide that the organization shall make payments to providers for items~~
272 ~~and services that are subject to the contract and that are furnished to individuals eligible for the~~
273 ~~Medicaid program or CHHP at a rate not less than 100% of the payment rate that at least one~~
274 ~~accountable care organization that contracted with the department paid for such care and~~
275 ~~services on January 1, 2017 (regardless of the manner in which such payments are made,~~
276 ~~including in the form of capitation or partial capitation), and that the minimum payment~~
277 ~~required by this provision will increase annually at a rate not less than the region's Consumer~~
278 ~~Price Index.]~~

279 ~~[(ii) Payments by the department to accountable care organizations or such other~~
280 ~~organizations shall be sufficient for the organizations to comply with the provider payment rate~~
281 ~~requirements of this section.]~~

282 ~~[(c) This subsection (5) shall not apply to physician reimbursement for drugs or~~
283 ~~devices.]~~

284 ~~[(6) Nothing in this section shall prevent the people acting through initiative, the~~
285 ~~Legislature by statute, or the department by promulgating rules from:]~~

286 ~~[(a) Expanding eligibility by adopting less restrictive eligibility standards,~~
287 ~~methodologies, or procedures than those permitted by Subsection (2);]~~

288 ~~[(b) Expanding covered care and services by adding to the list, amount, duration, or~~
289 ~~scope of covered care and services required by Subsection (3);]~~

290 ~~[(c) Reducing premiums, beneficiary enrollment fees, or cost sharing requirements~~
291 ~~below the maximum levels permitted by Subsection (4); or]~~

292 ~~[(d) Increasing provider payments above the minimum payments required by~~
293 ~~Subsection (5).]~~

294 ~~[(7) For purposes of this section:]~~

295 ~~[(a) The “Medicaid program” means the Medicaid program defined by Section~~
296 ~~26-18-2, including any waivers.]]~~

297 ~~[(b) The “Utah Children’s Health Insurance Program” or “CHIP” means the Utah~~
298 ~~Children’s Health Insurance Program created in Chapter 40, Utah Children’s Health Insurance~~
299 ~~Act.]]~~

300 (e) The department shall pay the state portion of costs for a Medicaid expansion under
301 this Subsection (5) entirely from:

302 (i) the Medicaid Expansion Fund;

303 (ii) county contributions to the nonfederal share of Medicaid expenditures; or

304 (iii) any other contributions, funds, or transfers from a nonstate agency for Medicaid
305 expenditures.

306 (f) If the costs of the Medicaid expansion under this Subsection (5) exceed the funds
307 available under Subsection (5)(e):

308 (i) the department may reduce or eliminate optional Medicaid services under this
309 chapter; and

310 (ii) savings, as determined by the department, from the reduction or elimination of
311 optional Medicaid services under Subsection (5)(f)(i) shall be deposited into the Medicaid
312 Expansion Fund; and

313 (iii) the department may submit to CMS a request for waivers, or an amendment of
314 existing waivers, from federal law necessary to implement budget controls within the Medicaid
315 program to address the deficiency.

316 (g) If the costs of the Medicaid expansion under this Subsection (5) are projected by
317 the department to exceed the funds available in the current fiscal year under Subsection (5)(e),
318 including savings resulting from any action taken under Subsection (5)(f):

319 (i) the governor shall direct the Department of Health, Department of Human Services,
320 and Department of Workforce Services to reduce commitments and expenditures by an amount
321 sufficient to offset the deficiency:

322 (A) proportionate to the share of total current fiscal year General Fund appropriations
323 for each of those agencies; and

324 (B) up to 10% of each agency's total current fiscal year General Fund appropriations;
325 and

326 (ii) the Division of Finance shall reduce allotments to the Department of Health,
327 Department of Human Services, and Department of Workforce Services by a percentage:

328 (A) proportionate to the amount of the deficiency; and

329 (B) up to 10% of each agency's total current fiscal year General Fund appropriations;
330 and

331 (iii) the Division of Finance shall deposit the total amount from the reduced allotments
332 described in Subsection (5)(g)(ii) into the Medicaid Expansion Fund.

333 ~~[(8)]~~ (6) The department shall maximize federal financial participation in
334 implementing this section, including by seeking to obtain any necessary federal approvals or
335 waivers.

336 ~~[(9) This section and Section 26-18-3.1(4) shall not apply to CHIP in any year for~~
337 ~~which the State Children's Health Insurance Program, as described in Subchapter XXI, 42~~

338 U.S.C. Sec. 1397aa et seq., is not extended at the federal level.]

339 [(10)] (7) Notwithstanding Sections 17-43-201 and 17-43-301, a county does not have
340 to provide matching funds to the state for the cost of providing Medicaid services to newly
341 enrolled individuals who qualify for Medicaid coverage under ~~[Subsection (2)(b)]~~ a Medicaid
342 expansion.

343 [~~(11) Severability. If any provision of this section or its application to any person or~~
344 ~~circumstance is held invalid, the remainder of this section shall be given effect without the~~
345 ~~invalid provision or application, and to this end the provisions of this section are severable.]~~

346 (8) The department shall report to the Social Services Appropriations Subcommittee on
347 or before November 1 of each year that a Medicaid expansion is operational:

348 (a) the number of individuals who enrolled in the Medicaid expansion;

349 (b) costs to the state for the Medicaid expansion;

350 (c) estimated costs to the state for the Medicaid expansion for the current and
351 following fiscal years; and

352 (d) recommendations to control costs of the Medicaid expansion.

353 Section 3. Section 26-18-415 is amended to read:

354 **26-18-415. Medicaid waiver expansion.**

355 (1) As used in this section:

356 (a) "CMS" means the Centers for Medicare and Medicaid Services within the United
357 States Department of Health and Human Services.

358 (b) "Expansion population" means individuals:

359 (i) whose household income is less than 95% of the federal poverty level; and

360 (ii) who are not eligible for enrollment in the Medicaid program, with the exception of
361 the Primary Care Network program, on May 8, 2018.

362 (c) "Federal poverty level" means the same as that term is defined in Section
363 26-18-411.

364 (d) "Medicaid waiver expansion" means ~~[a Medicaid expansion]~~ an expansion of the
365 Medicaid program in accordance with this section.

366 (2) (a) Before January 1, 2019, the department shall apply to CMS for approval of a
367 waiver or state plan amendment to implement the Medicaid waiver expansion.

368 (b) The Medicaid waiver expansion shall:

369 (i) expand Medicaid coverage to eligible individuals whose income is below 95% of
370 the federal poverty level;

371 (ii) obtain maximum federal financial participation under 42 U.S.C. Sec. 1396d(y) for
372 enrolling an individual in the Medicaid program;

373 (iii) provide Medicaid benefits through the state's Medicaid accountable care
374 organizations in areas where a Medicaid accountable care organization is implemented;

375 (iv) integrate the delivery of behavioral health services and physical health services
376 with Medicaid accountable care organizations in select geographic areas of the state that
377 choose an integrated model;

378 (v) include a path to self-sufficiency, including work activities as defined in 42 U.S.C.
379 Sec. 607(d), for qualified adults;

380 (vi) require an individual who is offered a private health benefit plan by an employer to
381 enroll in the employer's health plan;

382 (vii) sunset in accordance with Subsection (5)(a); and

383 (viii) permit the state to close enrollment in the Medicaid waiver expansion if the
384 department has insufficient funding to provide services to additional eligible individuals.

385 (3) If the Medicaid waiver described in Subsection (1) is approved, the department may
386 only pay the state portion of costs for the Medicaid waiver expansion with appropriations from:

387 (a) the Medicaid Expansion Fund, created in Section [26-36b-208](#);

388 (b) county contributions to the non-federal share of Medicaid expenditures; and

389 (c) any other contributions, funds, or transfers from a non-state agency for Medicaid
390 expenditures.

391 (4) (a) In consultation with the department, Medicaid accountable care organizations
392 and counties that elect to integrate care under Subsection (2)(b)(iv) shall collaborate on
393 enrollment, engagement of patients, and coordination of services.

394 (b) As part of the provision described in Subsection (2)(b)(iv), the department shall
395 apply for a waiver to permit the creation of an integrated delivery system:

396 (i) for any geographic area that expresses interest in integrating the delivery of services
397 under Subsection (2)(b)(iv); and

398 (ii) in which the department:

399 (A) may permit a local mental health authority to integrate the delivery of behavioral
400 health services and physical health services;

401 (B) may permit a county, local mental health authority, or Medicaid accountable care
402 organization to integrate the delivery of behavioral health services and physical health services
403 to select groups within the population that are newly eligible under the Medicaid waiver
404 expansion; and

405 (C) may make rules in accordance with Title 63G, Chapter 3, Utah Administrative
406 Rulemaking Act, to integrate payments for behavioral health services and physical health
407 services to plans or providers.

408 (5) (a) If federal financial participation for the Medicaid waiver expansion is reduced
409 below 90%, the authority of the department to implement the Medicaid waiver expansion shall
410 sunset no later than the next July 1 after the date on which the federal financial participation is
411 reduced.

412 (b) The department shall close the program to new enrollment if the cost of the
413 Medicaid waiver expansion is projected to exceed the appropriations for the fiscal year that are
414 authorized by the Legislature through an appropriations act adopted in accordance with Title
415 63J, Chapter 1, Budgetary Procedures Act.

416 (6) If the Medicaid waiver expansion is approved by CMS, the department shall report
417 to the Social Services Appropriations Subcommittee on or before November 1 of each year that
418 the Medicaid waiver expansion is operational:

419 (a) the number of individuals who enrolled in the Medicaid waiver program;

420 (b) costs to the state for the Medicaid waiver program;

421 (c) estimated costs for the current and following state fiscal year; and

422 (d) recommendations to control costs of the Medicaid waiver expansion.

423 Section 4. Section **26-36b-103** is amended to read:

424 **26-36b-103. Definitions.**

425 As used in this chapter:

426 (1) "Assessment" means the inpatient hospital assessment established by this chapter.

427 (2) "CMS" means the Centers for Medicare and Medicaid Services within the United
428 States Department of Health and Human Services.

429 (3) "Discharges" means the number of total hospital discharges reported on:

430 (a) Worksheet S-3 Part I, column 15, lines 14, 16, and 17 of the 2552-10 Medicare cost
431 report for the applicable assessment year; or

432 (b) a similar report adopted by the department by administrative rule, if the report
433 under Subsection (3)(a) is no longer available.

434 (4) "Division" means the Division of Health Care Financing within the department.

435 (5) "Enhancement waiver program" means the program established by the Primary
436 Care Network enhancement waiver program described in Section [26-18-416](#).

437 (6) "Health coverage improvement program" means the health coverage improvement
438 program described in Section [26-18-411](#).

439 (7) "Hospital share" means the hospital share described in Section [26-36b-203](#).

440 (8) "Medicaid accountable care organization" means a managed care organization, as
441 defined in 42 C.F.R. Sec. 438, that contracts with the department under the provisions of
442 Section [26-18-405](#).

443 (9) "Medicaid waiver expansion" means a Medicaid expansion in accordance with
444 Section [26-18-3.9](#) or [26-18-415](#).

445 (10) "Medicare cost report" means CMS-2552-10, the cost report for electronic filing
446 of hospitals.

447 (11) (a) "Non-state government hospital" means a hospital owned by a non-state
448 government entity.

449 (b) "Non-state government hospital" does not include:

450 (i) the Utah State Hospital; or
451 (ii) a hospital owned by the federal government, including the Veterans Administration
452 Hospital.

453 (12) (a) "Private hospital" means:

454 (i) a general acute hospital, as defined in Section 26-21-2, that is privately owned and
455 operating in the state; and

456 (ii) a privately owned specialty hospital operating in the state, including a privately
457 owned hospital whose inpatient admissions are predominantly for:

458 (A) rehabilitation;

459 (B) psychiatric care;

460 (C) chemical dependency services; or

461 (D) long-term acute care services.

462 (b) "Private hospital" does not include a facility for residential treatment as defined in
463 Section 62A-2-101.

464 (13) "State teaching hospital" means a state owned teaching hospital that is part of an
465 institution of higher education.

466 (14) "Upper payment limit gap" means the difference between the private hospital
467 outpatient upper payment limit and the private hospital Medicaid outpatient payments, as
468 determined in accordance with 42 C.F.R. Sec. 447.321.

469 Section 5. Section 26-36b-208 is amended to read:

470 **26-36b-208. Medicaid Expansion Fund.**

471 (1) There is created an expendable special revenue fund known as the Medicaid
472 Expansion Fund.

473 (2) The fund consists of:

474 (a) assessments collected under this chapter;

475 (b) intergovernmental transfers under Section 26-36b-206;

476 (c) savings attributable to the health coverage improvement program as determined by
477 the department;

478 (d) savings attributable to the enhancement waiver program as determined by the
479 department;

480 (e) savings attributable to the Medicaid waiver expansion as determined by the
481 department;

482 (f) savings attributable to the inclusion of psychotropic drugs on the preferred drug list
483 under Subsection 26-18-2.4(3) as determined by the department;

484 (g) savings attributable to the services provided by the Public Employees' Health Plan
485 under Subsection 49-20-401(1)(u);

486 (h) revenues collected from the sales tax described in Subsection 59-12-103(14);

487 ~~(h)~~ (i) gifts, grants, donations, or any other conveyance of money that may be made to
488 the fund from private sources;

489 ~~(i)~~ (j) interest earned on money in the fund; and

490 ~~(j)~~ (k) additional amounts as appropriated by the Legislature.

491 (3) (a) The fund shall earn interest.

492 (b) All interest earned on fund money shall be deposited into the fund.

493 (4) (a) A state agency administering the provisions of this chapter may use money from
494 the fund to pay the costs, not otherwise paid for with federal funds or other revenue sources, of:

495 (i) the health coverage improvement program;

496 (ii) the enhancement waiver program;

497 (iii) ~~the~~ a Medicaid waiver expansion; and

498 (iv) the outpatient upper payment limit supplemental payments under Section
499 26-36b-210.

500 (b) A state agency administering the provisions of this chapter may not use:

501 (i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper
502 payment limit supplemental payments; or

503 (ii) money in the fund for any purpose not described in Subsection (4)(a).

504 Section 6. Section 26-36c-102 is amended to read:

505 **26-36c-102. Definitions.**

506 As used in this chapter:

507 (1) "Assessment" means the Medicaid expansion hospital assessment established by
508 this chapter.

509 (2) "CMS" means the Centers for Medicare and Medicaid Services within the United
510 States Department of Health and Human Services.

511 (3) "Discharges" means the number of total hospital discharges reported on:

512 (a) Worksheet S-3 Part I, column 15, lines 14, 16, and 17 of the 2552-10 Medicare cost
513 report for the applicable assessment year; or

514 (b) a similar report adopted by the department by administrative rule, if the report
515 under Subsection (3)(a) is no longer available.

516 (4) "Division" means the Division of Health Care Financing within the department.

517 (5) "Hospital share" means the hospital share described in Section [26-36c-203](#).

518 (6) "Medicaid accountable care organization" means a managed care organization, as
519 defined in 42 C.F.R. Sec. 438, that contracts with the department under the provisions of
520 Section [26-18-405](#).

521 (7) "Medicaid Expansion Fund" means the Medicaid Expansion Fund created in
522 Section [26-36b-208](#).

523 (8) "Medicaid waiver expansion" means the same as that term is defined in Section
524 [26-18-415](#).

525 (9) "Medicare cost report" means CMS-2552-10, the cost report for electronic filing of
526 hospitals.

527 (10) (a) "Non-state government hospital" means a hospital owned by a non-state
528 government entity.

529 (b) "Non-state government hospital" does not include:

530 (i) the Utah State Hospital; or

531 (ii) a hospital owned by the federal government, including the Veterans Administration
532 Hospital.

533 (11) (a) "Private hospital" means:

534 (i) a privately owned general acute hospital operating in the state as defined in Section
535 26-21-2; or

536 (ii) a privately owned specialty hospital operating in the state, including a privately
537 owned hospital for which inpatient admissions are predominantly:

538 (A) rehabilitation;

539 (B) psychiatric;

540 (C) chemical dependency; or

541 (D) long-term acute care services.

542 (b) "Private hospital" does not include a facility for residential treatment as defined in
543 Section 62A-2-101.

544 (12) "Qualified Medicaid expansion" means an expansion of the Medicaid program in
545 accordance with Subsection 26-18-3.9(5).

546 ~~[(12)]~~ (13) "State teaching hospital" means a state owned teaching hospital that is part
547 of an institution of higher education.

548 Section 7. Section 26-36c-201 is amended to read:

549 **26-36c-201. Assessment.**

550 (1) An assessment is imposed on each private hospital:

551 (a) beginning upon the later of:

552 ~~[(a) beginning upon the later of CMS approval of:]~~

553 (i) ~~[the waiver for the Medicaid waiver expansion]~~ April 1, 2019; and

554 (ii) CMS approval of the assessment under this chapter;

555 (b) in the amount designated in Sections 26-36c-204 and 26-36c-205; and

556 (c) in accordance with Section 26-36c-202.

557 (2) ~~[Subject to Subsection 26-36c-202(4), the]~~ The assessment imposed by this chapter
558 is due and payable ~~[on the last day of each quarter]~~ in accordance with Subsection

559 26-36c-202(4).

560 ~~[(3) The first quarterly payment is not due until at least three months after the effective~~
561 ~~date of the coverage provided through the Medicaid waiver expansion.]~~

562 Section 8. Section **26-36c-203** is amended to read:

563 **26-36c-203. Hospital share.**

564 (1) The hospital share is:

565 (a) for the period from April 1, 2019, through June 30, 2020, \$15,000,000; and

566 (b) beginning July 1, 2020, 100% of the state's net cost of the qualified Medicaid

567 [~~waiver~~] expansion, after deducting appropriate offsets and savings expected as a result of
568 implementing the qualified Medicaid [~~waiver~~] expansion, including:

569 (i) savings from:

570 [~~(a)~~] (A) the Primary Care Network program;

571 [~~(b)~~] (B) the health coverage improvement program, as defined in Section 26-18-411;

572 [~~(c)~~] (C) the state portion of inpatient prison medical coverage;

573 [~~(d)~~] (D) behavioral health coverage; and

574 [~~(e)~~] (E) county contributions to the non-federal share of Medicaid expenditures~~[-]~~; and

575 (ii) any funds appropriated to the Medicaid Expansion Fund.

576 (2) (a) [~~The~~] Beginning July 1, 2020, the hospital share is capped at no more than
577 [~~\$25,000,000~~] \$15,000,000 annually.

578 (b) [~~The~~] Beginning July 1, 2020, the division shall prorate the cap specified in
579 Subsection (2)(a) in any year in which the qualified Medicaid [~~waiver~~] expansion is not in
580 effect for the full fiscal year.

581 Section 9. Section **26-36c-204** is amended to read:

582 **26-36c-204. Hospital financing.**

583 (1) Private hospitals shall be assessed under this chapter for the portion of the hospital
584 share described in Section 26-36c-209.

585 (2) The department shall, on or before October 15, [~~2019~~] 2020, and on or before
586 October 15 of each subsequent year, produce a report that calculates the state's net cost of the
587 qualified Medicaid [~~waiver~~] expansion.

588 (3) If the assessment collected in the previous fiscal year is above or below the hospital
589 share for private hospitals for the previous fiscal year, the division shall apply the

590 underpayment or overpayment of the assessment by the private hospitals to the fiscal year in
591 which the report is issued.

592 Section 10. Section **26-36c-206** is amended to read:

593 **26-36c-206. State teaching hospital and non-state government hospital**
594 **mandatory intergovernmental transfer.**

595 (1) A state teaching hospital and a non-state government hospital shall make an
596 intergovernmental transfer to the Medicaid Expansion Fund, in accordance with this section.

597 (2) The hospitals described in Subsection (1) shall pay the intergovernmental transfer
598 beginning on the later of [~~CMS approval of~~]:

599 (a) [~~the waiver for the Medicaid waiver expansion~~] April 1, 2019; or

600 (b) CMS approval of the assessment for private hospitals in this chapter.

601 (3) The intergovernmental transfer is apportioned between the non-state government
602 hospitals as follows:

603 (a) the state teaching hospital shall pay for the portion of the hospital share described in
604 Section 26-36c-209; and

605 (b) non-state government hospitals shall pay for the portion of the hospital share
606 described in Section 26-36c-209.

607 (4) The department shall, by rule made in accordance with Title 63G, Chapter 3, Utah
608 Administrative Rulemaking Act, designate:

609 (a) the method of calculating the amounts designated in Subsection (3); and

610 (b) the schedule for the intergovernmental transfers.

611 Section 11. Section **26-36c-208** is amended to read:

612 **26-36c-208. Hospital reimbursement.**

613 (1) If the qualified Medicaid [~~waiver~~] expansion is implemented by contracting with a
614 Medicaid accountable care organization, the department shall, to the extent allowed by law,
615 include in a contract to provide benefits under the qualified Medicaid [~~waiver~~] expansion a
616 requirement that the accountable care organization reimburse hospitals in the accountable care
617 organization's provider network at no less than the Medicaid fee-for-service rate.

618 (2) If the qualified Medicaid [~~waiver~~] expansion is implemented by the department as a
619 fee-for-service program, the department shall reimburse hospitals at no less than the Medicaid
620 fee-for-service rate.

621 (3) Nothing in this section prohibits the department or a Medicaid accountable care
622 organization from paying a rate that exceeds the Medicaid fee-for-service rate.

623 Section 12. Section **26-36c-209** is amended to read:

624 **26-36c-209. Hospital financing of the hospital share.**

625 (1) For the first two full fiscal years that the assessment is in effect, the department
626 shall:

627 (a) assess private hospitals under this chapter for 69% of the hospital share [~~for the~~
628 ~~Medicaid waiver expansion~~];

629 (b) require the state teaching hospital to make an intergovernmental transfer under this
630 chapter for 30% of the hospital share [~~for the Medicaid waiver expansion~~]; and

631 (c) require non-state government hospitals to make an intergovernmental transfer under
632 this chapter for 1% of the hospital share [~~for the Medicaid waiver expansion~~].

633 (2) (a) At the beginning of the third full fiscal year that the assessment is in effect, and
634 at the beginning of each subsequent fiscal year, the department may set a different percentage
635 share for private hospitals, the state teaching hospital, and non-state government hospitals by
636 rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with
637 input from private hospitals and private teaching hospitals.

638 (b) If the department does not set a different percentage share under Subsection (2)(a),
639 the percentage shares in Subsection (1) shall apply.

640 Section 13. Section **59-12-103** is amended to read:

641 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
642 **tax revenues.**

643 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
644 sales price for amounts paid or charged for the following transactions:

645 (a) retail sales of tangible personal property made within the state;

646 (b) amounts paid for:

647 (i) telecommunications service, other than mobile telecommunications service, that

648 originates and terminates within the boundaries of this state;

649 (ii) mobile telecommunications service that originates and terminates within the

650 boundaries of one state only to the extent permitted by the Mobile Telecommunications

651 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

652 (iii) an ancillary service associated with a:

653 (A) telecommunications service described in Subsection (1)(b)(i); or

654 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

655 (c) sales of the following for commercial use:

656 (i) gas;

657 (ii) electricity;

658 (iii) heat;

659 (iv) coal;

660 (v) fuel oil; or

661 (vi) other fuels;

662 (d) sales of the following for residential use:

663 (i) gas;

664 (ii) electricity;

665 (iii) heat;

666 (iv) coal;

667 (v) fuel oil; or

668 (vi) other fuels;

669 (e) sales of prepared food;

670 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or

671 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,

672 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,

673 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit

674 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
675 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
676 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
677 horseback rides, sports activities, or any other amusement, entertainment, recreation,
678 exhibition, cultural, or athletic activity;

679 (g) amounts paid or charged for services for repairs or renovations of tangible personal
680 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

681 (i) the tangible personal property; and

682 (ii) parts used in the repairs or renovations of the tangible personal property described
683 in Subsection (1)(g)(i), regardless of whether:

684 (A) any parts are actually used in the repairs or renovations of that tangible personal
685 property; or

686 (B) the particular parts used in the repairs or renovations of that tangible personal
687 property are exempt from a tax under this chapter;

688 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
689 assisted cleaning or washing of tangible personal property;

690 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
691 accommodations and services that are regularly rented for less than 30 consecutive days;

692 (j) amounts paid or charged for laundry or dry cleaning services;

693 (k) amounts paid or charged for leases or rentals of tangible personal property if within
694 this state the tangible personal property is:

695 (i) stored;

696 (ii) used; or

697 (iii) otherwise consumed;

698 (l) amounts paid or charged for tangible personal property if within this state the
699 tangible personal property is:

700 (i) stored;

701 (ii) used; or

702 (iii) consumed; and
703 (m) amounts paid or charged for a sale:
704 (i) (A) of a product transferred electronically; or
705 (B) of a repair or renovation of a product transferred electronically; and
706 (ii) regardless of whether the sale provides:
707 (A) a right of permanent use of the product; or
708 (B) a right to use the product that is less than a permanent use, including a right:
709 (I) for a definite or specified length of time; and
710 (II) that terminates upon the occurrence of a condition.
711 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
712 is imposed on a transaction described in Subsection (1) equal to the sum of:
713 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
714 (A) (I) through March 31, 2019, 4.70%; and
715 (II) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (14)(a);
716 and
717 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
718 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
719 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
720 State Sales and Use Tax Act; and
721 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
722 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
723 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
724 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
725 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
726 transaction under this chapter other than this part.
727 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
728 on a transaction described in Subsection (1)(d) equal to the sum of:
729 (i) a state tax imposed on the transaction at a tax rate of 2%; and

730 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
731 transaction under this chapter other than this part.

732 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
733 on amounts paid or charged for food and food ingredients equal to the sum of:

734 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
735 a tax rate of 1.75%; and

736 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
737 amounts paid or charged for food and food ingredients under this chapter other than this part.

738 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
739 tangible personal property other than food and food ingredients, a state tax and a local tax is
740 imposed on the entire bundled transaction equal to the sum of:

741 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

742 (I) the tax rate described in Subsection (2)(a)(i)(A); and

743 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
744 Sales and Use Tax Act, if the location of the transaction as determined under Sections
745 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
746 Additional State Sales and Use Tax Act; and

747 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
748 Sales and Use Tax Act, if the location of the transaction as determined under Sections
749 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
750 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

751 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
752 described in Subsection (2)(a)(ii).

753 (ii) If an optional computer software maintenance contract is a bundled transaction that
754 consists of taxable and nontaxable products that are not separately itemized on an invoice or
755 similar billing document, the purchase of the optional computer software maintenance contract
756 is 40% taxable under this chapter and 60% nontaxable under this chapter.

757 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled

758 transaction described in Subsection (2)(d)(i) or (ii):

759 (A) if the sales price of the bundled transaction is attributable to tangible personal
760 property, a product, or a service that is subject to taxation under this chapter and tangible
761 personal property, a product, or service that is not subject to taxation under this chapter, the
762 entire bundled transaction is subject to taxation under this chapter unless:

763 (I) the seller is able to identify by reasonable and verifiable standards the tangible
764 personal property, product, or service that is not subject to taxation under this chapter from the
765 books and records the seller keeps in the seller's regular course of business; or

766 (II) state or federal law provides otherwise; or

767 (B) if the sales price of a bundled transaction is attributable to two or more items of
768 tangible personal property, products, or services that are subject to taxation under this chapter
769 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
770 higher tax rate unless:

771 (I) the seller is able to identify by reasonable and verifiable standards the tangible
772 personal property, product, or service that is subject to taxation under this chapter at the lower
773 tax rate from the books and records the seller keeps in the seller's regular course of business; or

774 (II) state or federal law provides otherwise.

775 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
776 seller's regular course of business includes books and records the seller keeps in the regular
777 course of business for nontax purposes.

778 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
779 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
780 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
781 of tangible personal property, other property, a product, or a service that is not subject to
782 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
783 the seller, at the time of the transaction:

784 (A) separately states the portion of the transaction that is not subject to taxation under
785 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

786 (B) is able to identify by reasonable and verifiable standards, from the books and
787 records the seller keeps in the seller's regular course of business, the portion of the transaction
788 that is not subject to taxation under this chapter.

789 (ii) A purchaser and a seller may correct the taxability of a transaction if:

790 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
791 the transaction that is not subject to taxation under this chapter was not separately stated on an
792 invoice, bill of sale, or similar document provided to the purchaser because of an error or
793 ignorance of the law; and

794 (B) the seller is able to identify by reasonable and verifiable standards, from the books
795 and records the seller keeps in the seller's regular course of business, the portion of the
796 transaction that is not subject to taxation under this chapter.

797 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
798 in the seller's regular course of business includes books and records the seller keeps in the
799 regular course of business for nontax purposes.

800 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
801 personal property, products, or services that are subject to taxation under this chapter at
802 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
803 unless the seller, at the time of the transaction:

804 (A) separately states the items subject to taxation under this chapter at each of the
805 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

806 (B) is able to identify by reasonable and verifiable standards the tangible personal
807 property, product, or service that is subject to taxation under this chapter at the lower tax rate
808 from the books and records the seller keeps in the seller's regular course of business.

809 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
810 seller's regular course of business includes books and records the seller keeps in the regular
811 course of business for nontax purposes.

812 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
813 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 814 (i) Subsection (2)(a)(i)(A);
- 815 (ii) Subsection (2)(b)(i);
- 816 (iii) Subsection (2)(c)(i); or
- 817 (iv) Subsection (2)(d)(i)(A)(I).
- 818 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
- 819 begins on or after the effective date of the tax rate increase if the billing period for the
- 820 transaction begins before the effective date of a tax rate increase imposed under:
 - 821 (A) Subsection (2)(a)(i)(A);
 - 822 (B) Subsection (2)(b)(i);
 - 823 (C) Subsection (2)(c)(i); or
 - 824 (D) Subsection (2)(d)(i)(A)(I).
- 825 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 826 statement for the billing period is rendered on or after the effective date of the repeal of the tax
- 827 or the tax rate decrease imposed under:
 - 828 (A) Subsection (2)(a)(i)(A);
 - 829 (B) Subsection (2)(b)(i);
 - 830 (C) Subsection (2)(c)(i); or
 - 831 (D) Subsection (2)(d)(i)(A)(I).
- 832 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
- 833 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
- 834 change in a tax rate takes effect:
 - 835 (A) on the first day of a calendar quarter; and
 - 836 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 837 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:
 - 838 (A) Subsection (2)(a)(i)(A);
 - 839 (B) Subsection (2)(b)(i);
 - 840 (C) Subsection (2)(c)(i); or
 - 841 (D) Subsection (2)(d)(i)(A)(I).

842 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
843 the commission may by rule define the term "catalogue sale."

844 (3) (a) The following state taxes shall be deposited into the General Fund:

845 (i) the tax imposed by Subsection (2)(a)(i)(A);

846 (ii) the tax imposed by Subsection (2)(b)(i);

847 (iii) the tax imposed by Subsection (2)(c)(i); or

848 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

849 (b) The following local taxes shall be distributed to a county, city, or town as provided
850 in this chapter:

851 (i) the tax imposed by Subsection (2)(a)(ii);

852 (ii) the tax imposed by Subsection (2)(b)(ii);

853 (iii) the tax imposed by Subsection (2)(c)(ii); and

854 (iv) the tax imposed by Subsection (2)(d)(i)(B).

855 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
856 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
857 through (g):

858 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

859 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

860 (B) for the fiscal year; or

861 (ii) \$17,500,000.

862 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

863 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the

864 Department of Natural Resources to:

865 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
866 protect sensitive plant and animal species; or

867 (B) award grants, up to the amount authorized by the Legislature in an appropriations
868 act, to political subdivisions of the state to implement the measures described in Subsections
869 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

870 (ii) Money transferred to the Department of Natural Resources under Subsection
871 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
872 person to list or attempt to have listed a species as threatened or endangered under the
873 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

874 (iii) At the end of each fiscal year:

875 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
876 Conservation and Development Fund created in Section 73-10-24;

877 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
878 Program Subaccount created in Section 73-10c-5; and

879 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
880 Program Subaccount created in Section 73-10c-5.

881 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
882 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
883 created in Section 4-18-106.

884 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
885 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
886 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
887 water rights.

888 (ii) At the end of each fiscal year:

889 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
890 Conservation and Development Fund created in Section 73-10-24;

891 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
892 Program Subaccount created in Section 73-10c-5; and

893 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
894 Program Subaccount created in Section 73-10c-5.

895 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
896 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
897 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

898 (ii) In addition to the uses allowed of the Water Resources Conservation and
899 Development Fund under Section 73-10-24, the Water Resources Conservation and
900 Development Fund may also be used to:

901 (A) conduct hydrologic and geotechnical investigations by the Division of Water
902 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
903 quantifying surface and ground water resources and describing the hydrologic systems of an
904 area in sufficient detail so as to enable local and state resource managers to plan for and
905 accommodate growth in water use without jeopardizing the resource;

906 (B) fund state required dam safety improvements; and

907 (C) protect the state's interest in interstate water compact allocations, including the
908 hiring of technical and legal staff.

909 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
910 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
911 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

912 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
913 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
914 created in Section 73-10c-5 for use by the Division of Drinking Water to:

915 (i) provide for the installation and repair of collection, treatment, storage, and
916 distribution facilities for any public water system, as defined in Section 19-4-102;

917 (ii) develop underground sources of water, including springs and wells; and

918 (iii) develop surface water sources.

919 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
920 2006, the difference between the following amounts shall be expended as provided in this
921 Subsection (5), if that difference is greater than \$1:

922 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
923 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

924 (ii) \$17,500,000.

925 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

926 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
927 credits; and

928 (B) expended by the Department of Natural Resources for watershed rehabilitation or
929 restoration.

930 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
931 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
932 created in Section 73-10-24.

933 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
934 remaining difference described in Subsection (5)(a) shall be:

935 (A) transferred each fiscal year to the Division of Water Resources as dedicated
936 credits; and

937 (B) expended by the Division of Water Resources for cloud-seeding projects
938 authorized by Title 73, Chapter 15, Modification of Weather.

939 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
940 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
941 created in Section 73-10-24.

942 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
943 remaining difference described in Subsection (5)(a) shall be deposited into the Water
944 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
945 Division of Water Resources for:

946 (i) preconstruction costs:

947 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
948 26, Bear River Development Act; and

949 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
950 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

951 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
952 Chapter 26, Bear River Development Act;

953 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project

954 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

955 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
956 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

957 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
958 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
959 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
960 incurred for employing additional technical staff for the administration of water rights.

961 (f) At the end of each fiscal year, any unexpended dedicated credits described in
962 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
963 Fund created in Section 73-10-24.

964 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
965 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
966 (1) for the fiscal year shall be deposited as follows:

967 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
968 shall be deposited into the Transportation Investment Fund of 2005 created by Section
969 72-2-124;

970 (b) for fiscal year 2017-18 only:

971 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
972 Transportation Investment Fund of 2005 created by Section 72-2-124; and

973 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
974 Water Infrastructure Restricted Account created by Section 73-10g-103;

975 (c) for fiscal year 2018-19 only:

976 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
977 Transportation Investment Fund of 2005 created by Section 72-2-124; and

978 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
979 Water Infrastructure Restricted Account created by Section 73-10g-103;

980 (d) for fiscal year 2019-20 only:

981 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the

982 Transportation Investment Fund of 2005 created by Section 72-2-124; and

983 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
984 Water Infrastructure Restricted Account created by Section 73-10g-103;

985 (e) for fiscal year 2020-21 only:

986 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
987 Transportation Investment Fund of 2005 created by Section 72-2-124; and

988 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
989 Water Infrastructure Restricted Account created by Section 73-10g-103; and

990 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
991 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
992 created by Section 73-10g-103.

993 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
994 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
995 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
996 created by Section 72-2-124:

997 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
998 the revenues collected from the following taxes, which represents a portion of the
999 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
1000 on vehicles and vehicle-related products:

1001 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1002 (B) the tax imposed by Subsection (2)(b)(i);

1003 (C) the tax imposed by Subsection (2)(c)(i); and

1004 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

1005 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
1006 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
1007 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
1008 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

1009 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of

1010 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
1011 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
1012 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
1013 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
1014 (7)(a) equal to the product of:

1015 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
1016 previous fiscal year; and

1017 (B) the total sales and use tax revenue generated by the taxes described in Subsections
1018 (7)(a)(i)(A) through (D) in the current fiscal year.

1019 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
1020 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes
1021 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of
1022 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
1023 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

1024 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
1025 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited
1026 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues
1027 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the
1028 current fiscal year under Subsection (7)(a).

1029 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited
1030 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall
1031 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into
1032 the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

1033 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
1034 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit
1035 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
1036 Transportation Investment Fund of 2005 created by Section [72-2-124](#).

1037 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under

1038 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or
1039 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
1040 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
1041 in an amount equal to 3.68% of the revenues collected from the following taxes:

1042 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1043 (B) the tax imposed by Subsection (2)(b)(i);

1044 (C) the tax imposed by Subsection (2)(c)(i); and

1045 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

1046 (ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
1047 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)
1048 by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year
1049 by the portion of the tax imposed on motor and special fuel that is sold, used, or received for
1050 sale or use in this state that exceeds 29.4 cents per gallon.

1051 (iii) The commission shall annually deposit the amount described in Subsection
1052 (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section 72-2-124.

1053 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1054 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
1055 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

1056 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
1057 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
1058 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
1059 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
1060 the transactions described in Subsection (1).

1061 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
1062 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
1063 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
1064 amount of revenue described as follows:

1065 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%

1066 tax rate on the transactions described in Subsection (1);
1067 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
1068 tax rate on the transactions described in Subsection (1);
1069 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
1070 tax rate on the transactions described in Subsection (1);
1071 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
1072 .05% tax rate on the transactions described in Subsection (1); and
1073 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
1074 tax rate on the transactions described in Subsection (1).
1075 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
1076 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
1077 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
1078 transaction attributable to food and food ingredients and tangible personal property other than
1079 food and food ingredients described in Subsection (2)(d).
1080 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
1081 fiscal year during which the Division of Finance receives notice under Section [63N-2-510](#) that
1082 construction on a qualified hotel, as defined in Section [63N-2-502](#), has begun, the Division of
1083 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
1084 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
1085 created in Section [63N-2-512](#).
1086 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the
1087 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed
1088 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section [35A-8-308](#).
1089 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of
1090 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under
1091 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section [35A-8-308](#).
1092 (13) Notwithstanding Subsections (4) through (12) and (14), an amount required to be
1093 expended or deposited in accordance with Subsections (4) through (12) and (14) may not

1094 include an amount the Division of Finance deposits in accordance with Section [59-12-103.2](#).

1095 (14) (a) The rate specified in this subsection is 0.15%.

1096 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

1097 (i) on or before September 30, 2019, transfer the amount of revenue [~~generated by a~~
1098 ~~0.15% tax rate imposed~~] collected from the rate described in Subsection (14)(a) beginning on
1099 April 1, 2019, and ending on June 30, 2019, on the transactions that are subject to the sales and
1100 use tax under Subsection (2)(a)(i)(A) [as dedicated credits to the Division of Health Care
1101 Financing] into the Medicaid Expansion Fund created in Section [26-36b-208](#); and

1102 (ii) for a fiscal year beginning on or after [~~fiscal year 2019-20~~] July 1, 2019, annually
1103 transfer the amount of revenue [~~generated by a 0.15% tax rate~~] collected from the rate
1104 described in Subsection (14)(a) on the transactions that are subject to the sales and use tax
1105 under Subsection (2)(a)(i)(A) [as dedicated credits to the Division of Health Care Financing]
1106 into the Medicaid Expansion Fund created in Section [26-36b-208](#).

1107 [~~(c) The revenue described in Subsection (14)(b) that the Division of Finance transfers~~
1108 ~~to the Division of Health Care Financing as dedicated credits shall be expended for the~~
1109 ~~following uses:]~~

1110 [~~(i) implementation of the Medicaid expansion described in Sections [26-18-3.1](#)(4) and~~
1111 ~~[26-18-3.9](#)(2)(b);]~~

1112 [~~(ii) if revenue remains after the use specified in Subsection (14)(c)(i), other measures~~
1113 ~~required by Section [26-18-3.9](#); and]~~

1114 [~~(iii) if revenue remains after the uses specified in Subsections (14)(c)(i) and (ii), other~~
1115 ~~measures described in Title 26, Chapter 18, Medical Assistance Act.]~~

1116 Section 14. **Fiscal Year 2019 Appropriations.**

1117 The following sums of money are appropriated for the fiscal year beginning July 1,
1118 2018, and ending June 30, 2019. These are additions to amounts previously appropriated for
1119 fiscal year 2019.

1120 Subsection 12(a). **Operating and Capital Budgets.**

1121 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the

1122 Legislature appropriates the following sums of money from the funds or fund accounts
 1123 indicated for the use and support of the government of the state of Utah.

1124 ITEM 1

1125 To Department of Health -- Medicaid Services

1126 From General Fund, One-time (\$14,900,000)

1127 Schedule of Programs:

1128 Other Services (\$18,000,000)

1129 Medicaid Expansion 2017 \$3,100,000

1130 The Legislature intends that the Department of Health use the funding increase
 1131 provided for the Medicaid Expansion 2017 program for any increase in Medicaid enrollment in
 1132 the base program resulting from a Medicaid expansion.

1133 Subsection 12(b). Expendable Funds and Accounts.

1134 The Legislature has reviewed the following expendable funds. The Legislature
 1135 authorizes the State Division of Finance to transfer amounts between funds and accounts as
 1136 indicated. Outlays and expenditures from the funds or accounts to which the money is
 1137 transferred may be made without further legislative action, in accordance with statutory
 1138 provisions relating to the funds or accounts.

1139 ITEM 2

1140 To Department of Health -- Medicaid Expansion Fund

1141 From General Fund, One-time \$38,200,000

1142 From General Fund Restricted - Medicaid Restricted Account,

1143 One-time \$1,200,000

1144 Schedule of Programs:

1145 Medicaid Expansion Fund \$39,400,000

1146 **Section 13. Fiscal Year 2020 Appropriations.**

1147 The following sums of money are appropriated for the fiscal year beginning July 1,
 1148 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for
 1149 fiscal year 2020.

1150 Subsection 13(a). **Operating and Capital Budgets.**

1151 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
1152 Legislature appropriates the following sums of money from the funds or fund accounts
1153 indicated for the use and support of the government of the state of Utah.

1154 ITEM 3

1155 To Department of Health -- Children's Health Insurance Program

1156 From General Fund, One-time (\$18,663,900)

1157 Schedule of Programs:

1158 Children's Health Insurance Program (\$18,663,900)

1159 ITEM 4

1160 To Department of Health -- Medicaid Services

1161 From General Fund Restricted - Medicaid Restricted Account,

1162 One-time \$16,800,000

1163 Schedule of Programs:

1164 Medicaid Expansion 2017 \$16,800,000

1165 The Legislature intends that the Department of Health use the funding provided for any
1166 increase in Medicaid enrollment in the base program resulting from a Medicaid expansion.

1167 Subsection 13(b). **Expendable Funds and Accounts.**

1168 The Legislature has reviewed the following expendable funds. The Legislature
1169 authorizes the State Division of Finance to transfer amounts between funds and accounts as
1170 indicated. Outlays and expenditures from the funds or accounts to which the money is
1171 transferred may be made without further legislative action, in accordance with statutory
1172 provisions relating to the funds or accounts.

1173 ITEM 5

1174 To Department of Health -- Medicaid Expansion Fund

1175 From General Fund \$15,000,000

1176 Schedule of Programs:

1177 Medicaid Expansion Fund \$15,000,000

1178 Section 15. **Effective date.**

1179 If approved by two-thirds of all the members elected to each house, this bill takes effect

1180 upon approval by the governor, or the day following the constitutional time limit of Utah

1181 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,

1182 the date of veto override.