

HB0463S03 compared with HB0463S02

~~text~~ shows text that was in HB0463S02 but was deleted in HB0463S03.

text shows text that was not in HB0463S02 but was inserted into HB0463S03.

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Representative Brady Brammer proposes the following substitute bill:

MEDICAID FUNDING AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: ~~Brady Brammer~~

Senate Sponsor: ~~_____~~

LONG TITLE

General Description:

This bill amends provisions related to the Medicaid program and Medicaid expansion.

Highlighted Provisions:

This bill:

- ▶ defines "Medicaid shortfall";
- ▶ establishes conditions under which a Medicaid shortfall occurs;
- ▶ requires appropriations for expenditures to pay for the state's cost of the Medicaid program, and of Medicaid expansion, be appropriated from the Medicaid Restricted Account and the Medicaid Expansion Fund, respectively; and
- ▶ establishes a protocol of cost control measures to implement relative to the Medicaid program and Medicaid expansion, respectively, in the event of a Medicaid shortfall.

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Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

[This bill provides a coordination clause.](#)

Utah Code Sections Affected:

AMENDS:

26B-1-309, as renumbered and amended by Laws of Utah 2023, Chapter 305

26B-3-113, as renumbered and amended by Laws of Utah 2023, Chapter 306

63I-1-226 (Superseded 07/01/24), as last amended by Laws of Utah 2023, Chapters 249, 269, 270, 275, 332, 335, 420, and 495 and repealed and reenacted by Laws of Utah 2023, Chapter 329

63I-1-226 (Effective 07/01/24), as last amended by Laws of Utah 2023, Chapters 249, 269, 270, 275, 310, 332, 335, 420, and 495 and repealed and reenacted by Laws of Utah 2023, Chapter 329 and last amended by Coordination Clause, Laws of Utah 2023, Chapters 329, 332

[63J-1-315, as last amended by Laws of Utah 2023, Chapter 329](#)

Utah Code Sections Affected By Coordination Clause:

[26B-1-309, as renumbered and amended by Laws of Utah 2023, Chapter 305](#)

[63I-1-226, as last amended by Laws of Utah 2023, Chapters 249, 269, 270, 275, 310, 332, 335, 420, 495, repealed and reenacted by Laws of Utah 2023, Chapter 329, and last amended by Coordination Clause, Laws of Utah 2023, Chapters 329 and 332](#)

[63J-1-315, as last amended by Laws of Utah 2023, Chapter 329](#)

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

[The following section is affected by a coordination clause at the end of this bill.](#)

Section 1. Section **26B-1-309** is amended to read:

26B-1-309. Medicaid Restricted Account.

(1) [As used in this section:](#)

(a) ["Medicaid expansion" means the same as that term is defined in Section 26B-3-113.](#)

(b) ["Medicaid program" means the same as that term is defined in Section 26B-3-101.](#)

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(c) "Medicaid shortfall" means a condition in which the ongoing financial stability of the Medicaid program or Medicaid expansion is uncertain, as evidenced by:

(i) (A) the state's cumulative federal medical assistance percentage decreasing by more than two percentage points within a one-year period, or by four percentage points or more within a three-year period;

(B) the Executive Appropriations Committee finding that their most recently adopted revenue estimates are insufficient to pay the ongoing appropriations for the Medicaid program and Medicaid expansion for any fiscal year;

(C) the Office of the Legislative Fiscal Analyst projecting that state expenditures for services offered under the Medicaid program or Medicaid expansion exceed the funds that have been appropriated to fund those services; or

(D) an operating deficit, as defined in Section 63J-1-211; and

(ii) if the condition is not removed within 45 days after the day on which the condition occurred by:

(A) for a condition evidenced under Subsection (1)(c)(i)(A), the Executive Appropriations Committee determining that the decrease in the state's federal medical assistance percentage was due to the expiration or termination of a planned temporary increase to the federal medical assistance percentage;

(B) for a condition evidenced under Subsection (1)(c)(i)(B), the Executive Appropriations Committee adopting revised revenue estimates that are sufficient to pay the ongoing appropriations to the Medicaid program, or to Medicaid expansion, for any fiscal year; and

(C) for a condition evidenced under Subsection (1)(c)(i)(C) or (D), the Legislature appropriating sufficient funds to pay the services and benefits offered under the Medicaid program; and

(d) "Operating deficit" means the same as that term is defined in Section 63J-1-211.

(2) There is created a restricted account in the General Fund known as the "Medicaid Restricted Account."

[~~(2)~~] (3) (a) Except as provided in Subsection [~~(3)~~] (4), the following shall be deposited into the Medicaid Restricted Account:

(i) any general funds appropriated to the department for the state plan for medical

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assistance or for the Division of Health Care Financing that are not expended by the department in the fiscal year for which the general funds were appropriated and which are not otherwise designated as nonlapsing shall lapse into the Medicaid Restricted Account;

(ii) any unused state funds that are associated with the Medicaid program, as defined in Section 26B-3-101, from the Department of Workforce Services; and

(iii) any penalties imposed and collected under:

(A) Section 17B-2a-818.5;

(B) Section 19-1-206;

(C) Section 63A-5b-607;

(D) Section 63C-9-403;

(E) Section 72-6-107.5; or

(F) Section 79-2-404.

(b) The account shall earn interest and all interest earned shall be deposited into the account.

~~[(c) The Legislature may appropriate money in the restricted account to fund programs that expand medical assistance coverage and private health insurance plans to low income persons who have not traditionally been served by Medicaid, including the Utah Children's Health Insurance Program created in Section 26B-3-902.]~~

(c) Beginning July 1, 2024, the Legislature may appropriate money to pay the state's portion of costs and services related to:

(i) the Medicaid program only from the Medicaid Restricted Account; and

(ii) Medicaid expansion only from the Medicaid Expansion Fund created under Section 26B-1-315.

~~[(3)] (4) (a) For fiscal years 2008-09, 2009-10, 2010-11, 2011-12, and 2012-13 the following funds are nonlapsing:~~

(i) any general funds appropriated to the department for the state plan for medical assistance, or for the Division of Health Care Financing that are not expended by the department in the fiscal year in which the general funds were appropriated; and

(ii) funds described in Subsection ~~[(2)(a)(ii)] (3)(a)(i).~~

(b) For fiscal years 2019-20, 2020-21, 2021-22, and 2022-23, the funds described in Subsections ~~[(2)(a)(ii)] (3)(a)(ii) and [(3)(a)(i)] (4)(a)(i)~~ are nonlapsing.

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(5) (a) Subject to Subsection (5)(b), [beginning January 1, 2025](#), in the event of a Medicaid shortfall, within 150 days after the day on which the shortfall first occurs, each state division or agency expending state funds for the Medicaid program shall implement the following cost control measures relative to Medicaid program costs that are not subject to the cost control measures applicable to Medicaid expansion under Subsection 26B-3-113:

(i) suspend hiring of noncritical employees;

(ii) suspend increasing employee wages, excluding employee benefits offered to employees state-wide;

(iii) suspend increasing provider payment rates that would be paid for using general funds or income tax funds;

(iv) suspend expanding reimbursement benefits, including drug reimbursements that are paid for using general funds or income tax funds;

(v) cancel coverage for any optional services or populations covered under the Medicaid program that are paid for using general funds or income tax funds;

(vi) cancel or reverse all provider payment rate increases approved or implemented during the one-year period immediately preceding the day on which the shortfall occurs, if the rate increase is paid for using general funds or income tax funds; and

(vii) close enrollment to new members.

(b) The departments and agencies shall implement the cost control measures under Subsection (5)(a):

(i) one measure at a time and in the order listed under Subsection (5)(a), unless an exception is approved by the Executive Appropriations Committee;

(ii) in consultation with the executive director of the Department of Health and Human Services and the executive director of the Office of the Legislative Fiscal Analyst;

(iii) only to the extent necessary to eliminate the Medicaid shortfall; and

(iv) subject to and only to the extent allowed under all federal laws and regulations governing the Medicaid program.

(c) In the event of a Medicaid shortfall, the department shall prioritize state financial savings in implementing this Subsection (5).

Section 2. Section **26B-3-113** is amended to read:

26B-3-113. Expanding the Medicaid program.

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(1) As used in this section:

(a) "Federal poverty level" means the same as that term is defined in Section 26B-3-207.

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

(c) "Medicaid Expansion Fund" means the Medicaid Expansion Fund created in Section 26B-1-315.

(d) "Medicaid shortfall" means the same as that term is defined in Section 26B-1-309.

(2) (a) As set forth in Subsections (2) through (5), eligibility criteria for the Medicaid program shall be expanded to cover additional low-income individuals.

(b) The department shall continue to seek approval from CMS to implement the Medicaid waiver expansion as defined in Section 26B-1-112.

(c) The department may implement any provision described in Subsections 26B-3-112(2)(b)(iii) through (viii) in a Medicaid expansion if the department receives approval from CMS to implement that provision.

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

(a) receives approval from CMS to:

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

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

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

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

(i) the Medicaid Expansion Fund;

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

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

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

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

(i) receives approval from CMS to:

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

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

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

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

(A) the Medicaid Expansion Fund;

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

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

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

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

(i) administer federal funds for the Medicaid expansion under this Subsection (4) according to a per capita cap developed by the department that includes an annual inflationary adjustment, accounts for differences in cost among categories of Medicaid expansion enrollees,

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and provides greater flexibility to the state than the current Medicaid payment model;

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

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

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

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

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

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

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

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

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

(b) Notwithstanding Sections 26B-3-127 and 63J-5-204, and in accordance with this Subsection (5), eligibility for the Medicaid program shall be expanded to include all persons in the optional Medicaid expansion population under PPACA and the Health Care Education Reconciliation Act of 2010, Pub. L. No. 111-152, and related federal regulations and guidance, on the earlier of:

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

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(ii) July 1, 2020.

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

(i) implement each provision described in Subsections 26B-3-210(2)(b)(iii) through (viii) in a Medicaid expansion under this Subsection (5);

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

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

(d) The eligibility criteria in this Subsection (5) shall be construed to include all individuals eligible for the health coverage improvement program under Section 26B-3-207.

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

(i) the Medicaid Expansion Fund;

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

(iii) any other contributions, funds, or transfers from a nonstate agency for ~~[Medicaid]~~ expenditures for Medicaid expansion.

(f) If the costs of the Medicaid expansion under this Subsection (5) exceed the funds available under Subsection (5)(e) ~~[-§]~~

~~§ (i) {} the department may reduce or eliminate optional Medicaid services under this chapter; {}~~

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

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

(g) Subject to Subsection (5)(h), beginning January 1, 2025, in the event of a Medicaid shortfall, within 150 days, each state division or agency expending state funds for Medicaid expansion shall implement the following cost control measures on Medicaid expansion

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spending:

(i) suspend hiring of noncritical employees;

(ii) suspend increasing employee wages, excluding employee benefits offered to employees state-wide;

(iii) suspend increasing provider payment rates that would be paid for using general funds or income tax funds;

(iv) suspend expanding reimbursement benefits, including drug reimbursements that are paid for using general funds or income tax funds;

(v) suspend each application to CMS for Medicaid expansion that CMS has not approved as of the date on which the Medicaid shortfall first occurs;

(vi) cancel coverage for any optional services or populations covered under Medicaid expansion that are paid for using general funds or income tax funds;

(vii) cancel or reverse all provider payment rate increases approved or implemented during the one-year period immediately preceding the day on which the shortfall occurs, if the rate increase is paid for using general funds or income tax funds; and

(viii) close enrollment to new members.

(h) The departments and agencies shall implement the cost control measures under Subsection (5)(g):

(i) one measure at a time, in the order listed under Subsection (5)(g), unless an exception to the order is approved by the Executive Appropriations Committee;

(ii) in consultation with the executive director of the Department of Health and Human Services and the executive director of the Office of the Legislative Fiscal Analyst;

(iii) only to the extent necessary to eliminate the Medicaid shortfall; and

(iv) subject to federal laws and regulations governing the Medicaid program and Medicaid expansion.

~~(g)~~ (i) If, after the department has acted in accordance with Subsections (5)(f) and (g), the costs of the Medicaid expansion under this Subsection (5) are projected by the department to exceed the funds available in the current fiscal year under Subsection (5)(e), including savings resulting from any action taken under Subsection (5)(f):

(i) the governor shall direct the department and Department of Workforce Services to reduce commitments and expenditures by an amount sufficient to offset the deficiency:

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

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

(ii) the Division of Finance shall reduce allotments to the department and Department of Workforce Services by a percentage:

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

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

and

(iii) the Division of Finance shall deposit the total amount from the reduced allotments described in Subsection ~~[(5)(g)(ii)]~~ (6)(i)(iii) into the Medicaid Expansion Fund.

(6) (a) ~~[The]~~ Except as provided in Subsection (6)(b), the department shall maximize federal financial participation in implementing this section, including by seeking to obtain any necessary federal approvals or waivers.

(b) In the event of a Medicaid shortfall, the department shall maximize state financial savings in implementing Subsection (5)(g).

(7) Notwithstanding Sections 17-43-201 and 17-43-301, a county does not have to provide matching funds to the state for the cost of providing Medicaid services to newly enrolled individuals who qualify for Medicaid coverage under a Medicaid expansion.

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

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

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

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

(d) recommendations to control costs of the Medicaid expansion; and

(e) as calculated in accordance with Subsections 26B-3-506(4) and 26B-3-606(2), the state's net cost of the qualified Medicaid expansion.

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

~~(1) As used in this section:~~

~~(a) "Department" means the Department of Health and Human Services created in~~

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~~Section 26B-1-201.~~

~~—— (b) "Division" means the Division of Integrated Healthcare created in Section 26B-3-102.~~

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

~~—— (d) "Medicaid growth savings" means the Medicaid growth target minus Medicaid program expenditures, if Medicaid program expenditures are less than the Medicaid growth target.~~

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

~~—— (f) "Medicaid program" is as defined in Section 26B-3-101.~~

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

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

~~—— (i) "Operating deficit" means that, } The following section is affected by a coordination clause at the end of {the fiscal year, the unassigned fund balance in the General Fund is less than zero.~~

~~—— (j) "State revenue" means revenue other than federal revenue.~~

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

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

~~—— (3) (a) (i) Except as provided in Subsection (6), if, at the end of a fiscal year, there is a General Fund revenue surplus, the Division of Finance shall transfer an amount equal to~~

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~~Medicaid growth savings from the General Fund to the Medicaid Growth Reduction and Budget Stabilization Account:~~

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

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

~~—— (c) Subsections (3)(a) and (3)(b) apply only to the fiscal year in which the department implements the proposal developed under Section 26B-3-202 to reduce the long-term growth in state expenditures for the Medicaid program, and to each fiscal year after that year:~~

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

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

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

~~—— (ii) the Wildland Fire Suppression Fund created in Section 65A-8-204, as described in Section 63J-1-314; and~~

~~—— (iii) the State Disaster Recovery Restricted Account under Section 63J-1-314;~~

~~—— (b) before earmarking revenue from the General Fund revenue surplus to the Industrial Assistance Account under Section 63N-3-106; and~~

~~—— (c) before making any other year-end contingency appropriations, year-end set-asides, or other year-end transfers required by law:~~

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

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

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~~—— (c) If, after calculating the amount for transfer under Subsection (3), the remaining General Fund revenue surplus is insufficient to cover the hold back for debt service required by Subsection (5)(a), the Division of Finance shall reduce the transfer to the Medicaid Growth Reduction and Budget Stabilization Account by the amount necessary to cover the debt service hold back.~~

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

~~—— (6) Notwithstanding Subsections (3) and (4), if, at the end of a fiscal year, the Division of Finance determines that an operating deficit exists and that holding back earmarks to the Industrial Assistance Account under Section 63N-3-106, transfers to the Wildland Fire Suppression Fund and State Disaster Recovery Restricted Account under Section 63J-1-314, transfers to the General Fund Budget Reserve Account under Section 63J-1-312, or earmarks and transfers to more than one of those accounts, in that order, does not eliminate the operating deficit, the Division of Finance may reduce the transfer to the Medicaid Growth Reduction and Budget Stabilization Account by the amount necessary to eliminate the operating deficit.~~

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

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

~~—— (b) for the Medicaid program.~~

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

~~this bill.~~

Section 3. Section **63I-1-226 (Superseded 07/01/24)** is amended to read:

63I-1-226 (Superseded 07/01/24). Repeal dates: Titles 26A through 26B.

(1) Subsection 26B-1-204(2)(i), related to the Primary Care Grant Committee, is

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repealed July 1, 2025.

(2) Section 26B-1-315, which creates the Medicaid Expansion Fund, is repealed July 1, [2024] ~~2034~~ 2031.

(3) Section 26B-1-319, which creates the Neuro-Rehabilitation Fund, is repealed January 1, 2025.

(4) Section 26B-1-320, which creates the Pediatric Neuro-Rehabilitation Fund, is repealed January 1, 2025.

(5) Subsection 26B-1-324(4), the language that states "the Behavioral Health Crisis Response Commission, as defined in Section 63C-18-202," is repealed December 31, 2026.

(6) Subsection 26B-1-329(6), related to the Behavioral Health Crisis Response Commission, is repealed December 31, 2026.

(7) Section 26B-1-402, related to the Rare Disease Advisory Council Grant Program, is repealed July 1, 2026.

(8) Section 26B-1-409, which creates the Utah Digital Health Service Commission, is repealed July 1, 2025.

(9) Section 26B-1-410, which creates the Primary Care Grant Committee, is repealed July 1, 2025.

(10) Section 26B-1-416, which creates the Utah Children's Health Insurance Program Advisory Council, is repealed July 1, 2025.

(11) Section 26B-1-417, which creates the Brain Injury Advisory Committee, is repealed July 1, 2025.

(12) Section 26B-1-418, which creates the Neuro-Rehabilitation Fund and Pediatric Neuro-Rehabilitation Fund Advisory Committee, is repealed January 1, 2025.

(13) Section 26B-1-422, which creates the Early Childhood Utah Advisory Council, is repealed July 1, 2029.

(14) Section 26B-1-428, which creates the Youth Electronic Cigarette, Marijuana, and Other Drug Prevention Program, is repealed July 1, 2025.

(15) Section 26B-1-430, which creates the Coordinating Council for Persons with Disabilities, is repealed July 1, 2027.

(16) Section 26B-1-431, which creates the Forensic Mental Health Coordinating Council, is repealed July 1, 2023.

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(17) Section 26B-1-432, which creates the Newborn Hearing Screening Committee, is repealed July 1, 2026.

(18) Section 26B-1-434, regarding the Correctional Postnatal and Early Childhood Advisory Board, is repealed July 1, 2026.

(19) Section 26B-2-407, related to drinking water quality in child care centers, is repealed July 1, 2027.

(20) Subsection 26B-3-107(9), which addresses reimbursement for dental hygienists, is repealed July 1, 2028.

(21) Section 26B-3-136, which creates the Children's Health Care Coverage Program, is repealed July 1, 2025.

(22) Section 26B-3-137, related to reimbursement for the National Diabetes Prevention Program, is repealed June 30, 2027.

(23) Subsection 26B-3-213(2), the language that states "and the Behavioral Health Crisis Response Commission created in Section 63C-18-202" is repealed December 31, 2026.

(24) Sections 26B-3-302 through 26B-3-309, regarding the Drug Utilization Review Board, are repealed July 1, 2027.

(25) Title 26B, Chapter 3, Part 5, Inpatient Hospital Assessment, is repealed July 1, 2024.

(26) Title 26B, Chapter 3, Part 6, Medicaid Expansion Hospital Assessment, is repealed July 1, 2024.

(27) Title 26B, Chapter 3, Part 7, Hospital Provider Assessment, is repealed July 1, 2028.

(28) Section 26B-3-910, regarding alternative eligibility, is repealed July 1, 2028.

(29) Section 26B-4-136, related to the Volunteer Emergency Medical Service Personnel Health Insurance Program, is repealed July 1, 2027.

(30) Section 26B-4-710, related to rural residency training programs, is repealed July 1, 2025.

(31) Subsections 26B-5-112(1) and (5), the language that states "In consultation with the Behavioral Health Crisis Response Commission, established in Section 63C-18-202," is repealed December 31, 2026.

(32) Section 26B-5-112.5 is repealed December 31, 2026.

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(33) Section 26B-5-114, related to the Behavioral Health Receiving Center Grant Program, is repealed December 31, 2026.

(34) Section 26B-5-118, related to collaborative care grant programs, is repealed December 31, 2024.

(35) Section 26B-5-120 is repealed December 31, 2026.

(36) In relation to the Utah Assertive Community Treatment Act, on July 1, 2024:

(a) Subsection 26B-5-606(2)(a)(i), the language that states "and" is repealed; and

(b) Subsections 26B-5-606(2)(a)(ii), 26B-5-606(2)(b), and 26B-5-606(2)(c) are repealed.

(37) In relation to the Behavioral Health Crisis Response Commission, on December 31, 2026:

(a) Subsection 26B-5-609(1)(a) is repealed;

(b) Subsection 26B-5-609(3)(a), the language that states "With recommendations from the commission," is repealed;

(c) Subsection 26B-5-610(1)(b) is repealed;

(d) Subsection 26B-5-610(2)(b), the language that states "and in consultation with the commission," is repealed; and

(e) Subsection 26B-5-610(4), the language that states "In consultation with the commission," is repealed.

(38) Subsections 26B-5-611(1)(a) and (10), in relation to the Utah Substance Use and Mental Health Advisory Council, are repealed January 1, 2033.

(39) Section 26B-5-612, related to integrated behavioral health care grant programs, is repealed December 31, 2025.

(40) Subsection 26B-7-119(5), related to reports to the Legislature on the outcomes of the Hepatitis C Outreach Pilot Program, is repealed July 1, 2028.

(41) Section 26B-7-224, related to reports to the Legislature on violent incidents and fatalities involving substance abuse, is repealed December 31, 2027.

(42) Title 26B, Chapter 8, Part 5, Utah Health Data Authority, is repealed July 1, 2024.

(43) Section 26B-8-513, related to identifying overuse of non-evidence-based health care, is repealed December 31, 2023.

The following section is affected by a coordination clause at the end of this bill.

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Section 4. Section **63I-1-226 (Effective 07/01/24)** is amended to read:

63I-1-226 (Effective 07/01/24). Repeal dates: Titles 26A through 26B.

- (1) Subsection 26B-1-204(2)(i), related to the Primary Care Grant Committee, is repealed July 1, 2025.
- (2) Section 26B-1-315, which creates the Medicaid Expansion Fund, is repealed July 1, [2024] ~~2034~~ 2031.
- (3) Section 26B-1-319, which creates the Neuro-Rehabilitation Fund, is repealed January 1, 2025.
- (4) Section 26B-1-320, which creates the Pediatric Neuro-Rehabilitation Fund, is repealed January 1, 2025.
- (5) Subsection 26B-1-324(4), the language that states "the Behavioral Health Crisis Response Commission, as defined in Section 63C-18-202," is repealed December 31, 2026.
- (6) Subsection 26B-1-329(6), related to the Behavioral Health Crisis Response Commission, is repealed December 31, 2026.
- (7) Section 26B-1-402, related to the Rare Disease Advisory Council Grant Program, is repealed July 1, 2026.
- (8) Section 26B-1-409, which creates the Utah Digital Health Service Commission, is repealed July 1, 2025.
- (9) Section 26B-1-410, which creates the Primary Care Grant Committee, is repealed July 1, 2025.
- (10) Section 26B-1-416, which creates the Utah Children's Health Insurance Program Advisory Council, is repealed July 1, 2025.
- (11) Section 26B-1-417, which creates the Brain Injury Advisory Committee, is repealed July 1, 2025.
- (12) Section 26B-1-418, which creates the Neuro-Rehabilitation Fund and Pediatric Neuro-Rehabilitation Fund Advisory Committee, is repealed January 1, 2025.
- (13) Section 26B-1-422, which creates the Early Childhood Utah Advisory Council, is repealed July 1, 2029.
- (14) Section 26B-1-428, which creates the Youth Electronic Cigarette, Marijuana, and Other Drug Prevention Program, is repealed July 1, 2025.
- (15) Section 26B-1-430, which creates the Coordinating Council for Persons with

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Disabilities, is repealed July 1, 2027.

(16) Section 26B-1-431, which creates the Forensic Mental Health Coordinating Council, is repealed July 1, 2023.

(17) Section 26B-1-432, which creates the Newborn Hearing Screening Committee, is repealed July 1, 2026.

(18) Section 26B-1-434, regarding the Correctional Postnatal and Early Childhood Advisory Board, is repealed July 1, 2026.

(19) Section 26B-2-407, related to drinking water quality in child care centers, is repealed July 1, 2027.

(20) Subsection 26B-3-107(9), which addresses reimbursement for dental hygienists, is repealed July 1, 2028.

(21) Section 26B-3-136, which creates the Children's Health Care Coverage Program, is repealed July 1, 2025.

(22) Section 26B-3-137, related to reimbursement for the National Diabetes Prevention Program, is repealed June 30, 2027.

(23) Subsection 26B-3-213(2), the language that states "and the Behavioral Health Crisis Response Commission created in Section 63C-18-202" is repealed December 31, 2026.

(24) Sections 26B-3-302 through 26B-3-309, regarding the Drug Utilization Review Board, are repealed July 1, 2027.

(25) Title 26B, Chapter 3, Part 5, Inpatient Hospital Assessment, is repealed July 1, 2024.

(26) Title 26B, Chapter 3, Part 6, Medicaid Expansion Hospital Assessment, is repealed July 1, 2024.

(27) Title 26B, Chapter 3, Part 7, Hospital Provider Assessment, is repealed July 1, 2028.

(28) Section 26B-3-910, regarding alternative eligibility, is repealed July 1, 2028.

(29) Section 26B-4-710, related to rural residency training programs, is repealed July 1, 2025.

(30) Subsections 26B-5-112(1) and (5), the language that states "In consultation with the Behavioral Health Crisis Response Commission, established in Section 63C-18-202," is repealed December 31, 2026.

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(31) Section 26B-5-112.5 is repealed December 31, 2026.

(32) Section 26B-5-114, related to the Behavioral Health Receiving Center Grant Program, is repealed December 31, 2026.

(33) Section 26B-5-118, related to collaborative care grant programs, is repealed December 31, 2024.

(34) Section 26B-5-120 is repealed December 31, 2026.

(35) In relation to the Utah Assertive Community Treatment Act, on July 1, 2024:

(a) Subsection 26B-5-606(2)(a)(i), the language that states "and" is repealed; and

(b) Subsections 26B-5-606(2)(a)(ii), 26B-5-606(2)(b), and 26B-5-606(2)(c) are repealed.

(36) In relation to the Behavioral Health Crisis Response Commission, on December 31, 2026:

(a) Subsection 26B-5-609(1)(a) is repealed;

(b) Subsection 26B-5-609(3)(a), the language that states "With recommendations from the commission," is repealed;

(c) Subsection 26B-5-610(1)(b) is repealed;

(d) Subsection 26B-5-610(2)(b), the language that states "and in consultation with the commission," is repealed; and

(e) Subsection 26B-5-610(4), the language that states "In consultation with the commission," is repealed.

(37) Subsections 26B-5-611(1)(a) and (10), in relation to the Utah Substance Use and Mental Health Advisory Council, are repealed January 1, 2033.

(38) Section 26B-5-612, related to integrated behavioral health care grant programs, is repealed December 31, 2025.

(39) Subsection 26B-7-119(5), related to reports to the Legislature on the outcomes of the Hepatitis C Outreach Pilot Program, is repealed July 1, 2028.

(40) Section 26B-7-224, related to reports to the Legislature on violent incidents and fatalities involving substance abuse, is repealed December 31, 2027.

(41) Title 26B, Chapter 8, Part 5, Utah Health Data Authority, is repealed July 1, 2024.

(42) Section 26B-8-513, related to identifying overuse of non-evidence-based health care, is repealed December 31, 2023.

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~~{ Section 5 }~~ The following section is affected by a coordination clause at the end of this bill.

Section 5. Section 63J-1-315 is amended to read:

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

(1) As used in this section:

(a) "Department" means the Department of Health and Human Services created in Section 26B-1-201.

(b) "Division" means the Division of Integrated Healthcare created in Section 26B-3-102.

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

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

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

(f) "Medicaid program" is as defined in Section 26B-3-101.

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

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

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

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

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

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

(3) (a) The following shall be deposited into the Medicaid Growth Reduction and Budget Stabilization Account:

(i) deposits described in Subsection (4);

(ii) beginning July 1, 2024, any general funds appropriated to the department for the state plan for medical assistance or for Medicaid administration by the Division of Integrated Healthcare that are not expended by the department in the fiscal year for which the general funds were appropriated and which are not otherwise designated as nonlapsing shall lapse into the Medicaid Growth Reduction and Budget Stabilization Account;

(iii) beginning July 1, 2024, any unused state funds that are associated with the Medicaid program from the Department of Workforce Services;

(iv) beginning July 1, 2024, any penalties imposed and collected under:

(A) Section 17B-2a-818.5;

(B) Section 19-1-206;

(C) Section 63A-5b-607;

(D) Section 63C-9-403;

(E) Section 72-6-107.5; or

(F) Section 79-2-404;

(v) beginning July 1, 2024, administrative fees collected by the division as an administrative indirect match; and

(vi) at the close of fiscal year 2024, the Division of Finance shall transfer any existing balance in the Medicaid Restricted Account created in Section 26B-1-309 into the Medicaid Growth Reduction and Budget Stabilization Account.

(b) In addition to the deposits described in Subsection (3)(a), the Legislature may appropriate money into the Medicaid Growth Reduction and Budget Stabilization Account.

~~[(3)]~~ (4) (a) (i) Except as provided in Subsection ~~[(6)]~~ (7), if, at the end of a fiscal year, there is a General Fund revenue surplus, the Division of Finance shall transfer an amount equal

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to Medicaid growth savings from the General Fund to the Medicaid Growth Reduction and Budget Stabilization Account.

(ii) If the amount transferred is reduced to prevent an operating deficit, as provided in Subsection [(6)] (7), the Legislature shall include, to the extent revenue is available, an amount equal to the reduction as an appropriation from the General Fund to the account in the base budget for the second fiscal year following the fiscal year for which the reduction was made.

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

(c) Subsections [(3)(a)] (4)(a) and [(3)(b)] (4)(b) apply only to the fiscal year in which the department implements the proposal developed under Section 26B-3-202 to reduce the long-term growth in state expenditures for the Medicaid program, and to each fiscal year after that year.

[(4)] (5) The Division of Finance shall calculate the amount to be transferred under Subsection [(3)] (4):

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

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

(ii) the Wildland Fire Suppression Fund created in Section 65A-8-204, as described in Section 63J-1-314; and

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

(b) before earmarking revenue from the General Fund revenue surplus to the Industrial Assistance Account under Section 63N-3-106; and

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

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

(b) The Division of Finance may not spend the hold back amount for debt service

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under Subsection [(5)(a)] (6)(a) unless and until it is appropriated by the Legislature.

(c) If, after calculating the amount for transfer under Subsection [(3)] (4), the remaining General Fund revenue surplus is insufficient to cover the hold back for debt service required by Subsection [(5)(a)] (6)(a), the Division of Finance shall reduce the transfer to the Medicaid Growth Reduction and Budget Stabilization Account by the amount necessary to cover the debt service hold back.

(d) Notwithstanding Subsections [(3)] (4) and [(4)] (5), the Division of Finance shall hold back the General Fund balance for debt service authorized by this Subsection [(5)] (6) before making any transfers to the Medicaid Growth Reduction and Budget Stabilization Account or any other designation or allocation of General Fund revenue surplus.

[(6)] (7) Notwithstanding Subsections [(3)] (4) and [(4)] (5), if, at the end of a fiscal year, the Division of Finance determines that an operating deficit exists and that holding back earmarks to the Industrial Assistance Account under Section 63N-3-106, transfers to the Wildland Fire Suppression Fund and State Disaster Recovery Restricted Account under Section 63J-1-314, transfers to the General Fund Budget Reserve Account under Section 63J-1-312, or earmarks and transfers to more than one of those accounts, in that order, does not eliminate the operating deficit, the Division of Finance may reduce the transfer to the Medicaid Growth Reduction and Budget Stabilization Account by the amount necessary to eliminate the operating deficit.

[(7)] (8) The Legislature may appropriate money from the Medicaid Growth Reduction and Budget Stabilization Account only:

(a) for the Medicaid program; and

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

(ii) if the amount of the appropriation is equal to or less than the balance in the Medicaid Growth Reduction and Budget Stabilization Account that comprises deposits described in Subsections (3)(a)(ii) through (v) and appropriations described in Subsection (3)(b).

[(b) for the Medicaid program.]

[(8)] (9) The Division of Finance shall deposit interest or other earnings derived from

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investment of Medicaid Growth Reduction and Budget Stabilization Account money into the General Fund.

Section 6. Effective date.

~~(1) Except as provided in Subsection (2), this bill takes effect on January 1, 2025.~~

May 1, 2024.

(2) The actions affecting Section 63I-1-226 (Effective 07/01/2024) take effect on July 1, 2024.

Section 7. Coordinating H.B. 463 with H.B. 51.

If H.B. 463, Medicaid Funding Amendments, and H.B. 51, Health and Human Services Funding Amendments, both pass and become law, the Legislature intends that:

(1) on May 1, 2024, the changes in H.B. 51 to Section 63I-1-226 (Superseded 07/01/2024) not be made;

(2) on May 1, 2024, the changes in H.B. 51 to Section 63J-1-315 not be made;

(3) on July 1, 2024, Subsection 26B-1-309(3)(a) be repealed and the remaining subsections renumbered accordingly; and

(4) on July 1, 2024, the changes in H.B. 51 to Section 63I-1-226 (Effective 07/01/2024) not be made.