

**Representative Stephanie Gricius** proposes the following substitute bill:

**MEDICAID REIMBURSEMENT RATE AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Todd D. Weiler**

House Sponsor: Stephanie Gricius

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**LONG TITLE**

**General Description:**

This bill addresses Medicaid reimbursement rates.

**Highlighted Provisions:**

This bill:

- ▶ defines terms; and
- ▶ establishes a budgeting mechanism under which Medicaid reimbursement rates for applied behavior analysis may increase.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**26B-3-203**, as renumbered and amended by Laws of Utah 2023, Chapter 306

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

Section 1. Section **26B-3-203** is amended to read:

**26B-3-203. Base budget appropriations for Medicaid accountable care**



26 **organizations, behavioral health plans, and ABA services -- Forecast of behavioral health**  
27 **services cost.**

28 (1) As used in this section:

29 (a) "ABA service" means a service applying applied behavior analysis, as that term is  
30 defined in Section 31A-22-642.

31 (b) "ABA service reimbursement rate" means the Medicaid reimbursement rate  
32 developed by the division, in accordance with Part 1, Health Care Assistance, and paid to a  
33 provider for providing an ABA service.

34 ~~(a)~~ (c) "ACO" means an accountable care organization that contracts with the state's  
35 Medicaid program for:

36 (i) physical health services; or

37 (ii) integrated physical and behavioral health services.

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

39 ~~(c)~~ (e) "Behavioral health plan" means a managed care or fee for service delivery  
40 system that contracts with or is operated by the department to provide behavioral health  
41 services to Medicaid eligible individuals.

42 ~~(d)~~ (f) "Behavioral health services" means mental health or substance use treatment  
43 or services.

44 ~~(e)~~ (g) "General Fund growth factor" means the amount determined by dividing the  
45 next fiscal year ongoing General Fund revenue estimate by current fiscal year ongoing  
46 appropriations from the General Fund.

47 ~~(f)~~ (h) "Next fiscal year ongoing General Fund revenue estimate" means the next  
48 fiscal year ongoing General Fund revenue estimate identified by the Executive Appropriations  
49 Committee, in accordance with legislative rule, for use by the Office of the Legislative Fiscal  
50 Analyst in preparing budget recommendations.

51 ~~(g)~~ (i) "PMPM" means per-member-per-month funding.

52 (2) If the General Fund growth factor is less than 100%, the next fiscal year base  
53 budget shall, subject to Subsection (5), include an appropriation to the department in an  
54 amount necessary to ensure that the next fiscal year PMPM for ACOs and behavioral health  
55 plans equals the current fiscal year PMPM for the ACOs and behavioral health plans multiplied  
56 by 100%.

57 (3) If the General Fund growth factor is greater than or equal to 100%, but less than  
58 102%, the next fiscal year base budget shall, subject to Subsection (5), include an appropriation  
59 to the department in an amount necessary to ensure that the next fiscal year PMPM for ACOs  
60 and behavioral health plans equals the current fiscal year PMPM for the ACOs and behavioral  
61 health plans multiplied by the General Fund growth factor.

62 (4) If the General Fund growth factor is greater than or equal to 102%, the next fiscal  
63 year base budget shall, subject to Subsection (5)[;];

64 (a) ~~include an appropriation to the department in an amount [necessary to ensure that~~  
65 ~~the next fiscal year PMPM for ACOs and behavioral health plans is greater than or equal to the~~  
66 ~~current fiscal year PMPM for the ACOs and behavioral health plans multiplied by 102% and~~  
67 ~~less than or equal to the current fiscal year PMPM for the ACOs and behavioral health plans~~  
68 ~~multiplied by the General Fund growth factor.]~~ that would, prior to the application of  
69 Subsection (4)(b), allow the department to ensure that the next fiscal year PMPMs for ACOs  
70 and behavioral health plans is greater than or equal to the current fiscal year PMPMs for the  
71 ACOs and behavioral health plans multiplied by 102%;

72 (b) subject to Subsection (4)(c), allocate the amount appropriated under Subsection  
73 (4)(a) to provide substantially the same year-over-year percentage point increase to:

74 (i) the PMPMs for ACOs and behavioral health plans; and

75 (ii) each ABA service reimbursement rate; and

76 (c) for the initial appropriation under Subsection (4)(b), prior to providing the  
77 percentage point increases under Subsection (4)(b), allocate from the total amount appropriated  
78 under Subsection (4)(a) an amount necessary to increase and substantially equalize each of the  
79 ABA service reimbursement rates with a corresponding reimbursement rate paid for providing  
80 the same or substantially similar service under an ACO or a behavioral health plan.

81 (5) The appropriations provided to the department for behavioral health plans under  
82 this section shall be reduced by the amount contributed by counties in the current fiscal year for  
83 behavioral health plans in accordance with Subsections 17-43-201(5)(k) and  
84 17-43-301(6)(a)(x).

85 (6) In order for the department to estimate the impact of Subsections (2) through (4)  
86 before identification of the next fiscal year ongoing General Fund revenue estimate, the  
87 Governor's Office of Planning and Budget shall, in cooperation with the Office of the

88 Legislative Fiscal Analyst, develop an estimate of ongoing General Fund revenue for the next  
89 fiscal year and provide the estimate to the department no later than November 1 of each year.

90 (7) The Office of the Legislative Fiscal Analyst shall include an estimate of the cost of  
91 behavioral health services in any state Medicaid funding or savings forecast that is completed  
92 in coordination with the department and the Governor's Office of Planning and Budget.

93 Section 2. **Effective date.**

94 This bill takes effect on May 1, 2024.