

MEDICAID REIMBURSEMENT RATE AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd D. Weiler

House Sponsor: Stephanie Gricius

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

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

(1) As used in this section:

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

(b) "ABA service reimbursement rate" means the Medicaid reimbursement rate developed by the division, in accordance with Part 1, Health Care Assistance, and

- 29 paid to a provider for providing an ABA service.
- 30 ~~[(a)]~~ (c) "ACO" means an accountable care organization that contracts with the state's
- 31 Medicaid program for:
- 32 (i) physical health services; or
- 33 (ii) integrated physical and behavioral health services.
- 34 ~~[(b)]~~ (d) "Base budget" means the same as that term is defined in legislative rule.
- 35 ~~[(e)]~~ (e) "Behavioral health plan" means a managed care or fee for service delivery
- 36 system that contracts with or is operated by the department to provide behavioral
- 37 health services to Medicaid eligible individuals.
- 38 ~~[(f)]~~ (f) "Behavioral health services" means mental health or substance use treatment or
- 39 services.
- 40 ~~[(e)]~~ (g) "General Fund growth factor" means the amount determined by dividing the
- 41 next fiscal year ongoing General Fund revenue estimate by current fiscal year
- 42 ongoing appropriations from the General Fund.
- 43 ~~[(f)]~~ (h) "Next fiscal year ongoing General Fund revenue estimate" means the next fiscal
- 44 year ongoing General Fund revenue estimate identified by the Executive
- 45 Appropriations Committee, in accordance with legislative rule, for use by the Office
- 46 of the Legislative Fiscal Analyst in preparing budget recommendations.
- 47 ~~[(g)]~~ (i) "PMPM" means per-member-per-month funding.
- 48 (2) If the General Fund growth factor is less than 100%, the next fiscal year base budget
- 49 shall, subject to Subsection (5), include an appropriation to the department in an amount
- 50 necessary to ensure that the next fiscal year PMPM for ACOs and behavioral health
- 51 plans equals the current fiscal year PMPM for the ACOs and behavioral health plans
- 52 multiplied by 100%.
- 53 (3) If the General Fund growth factor is greater than or equal to 100%, but less than 102%,
- 54 the next fiscal year base budget shall, subject to Subsection (5), include an appropriation
- 55 to the department in an amount necessary to ensure that the next fiscal year PMPM for
- 56 ACOs and behavioral health plans equals the current fiscal year PMPM for the ACOs
- 57 and behavioral health plans multiplied by the General Fund growth factor.
- 58 (4) If the General Fund growth factor is greater than or equal to 102%, the next fiscal year
- 59 base budget shall, subject to Subsection (5)~~[-]~~ :
- 60 (a) in fiscal years 2025 and 2026:
- 61 (i) include an appropriation to the department in an amount ~~[necessary to ensure that~~
- 62 the next fiscal year PMPM for ACOs and behavioral health plans is greater than or

63 equal to the current fiscal year PMPM for the ACOs and behavioral health plans
64 multiplied by 102% and less than or equal to the current fiscal year PMPM for the
65 ACOs and behavioral health plans multiplied by the General Fund growth factor.]
66 that would, prior to the application of Subsection (4)(a)(ii), allow the department
67 to ensure that the next fiscal year PMPMs for ACOs and behavioral health plans is
68 greater than or equal to the current fiscal year PMPMs for the ACOs and
69 behavioral health plans multiplied by 102%;

70 (ii) subject to Subsection (4)(a)(iii), allocate the amount appropriated under
71 Subsection (4)(a)(i) to provide substantially the same year-over-year percentage
72 point increase to:

73 (A) the PMPMs for ACOs and behavioral health plans; and

74 (B) each ABA service reimbursement rate; and

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

81 (b) beginning in fiscal year 2027, include an appropriation to the department in an
82 amount necessary to ensure that the next fiscal year PMPMs for ACOs and
83 behavioral health plans is greater than or equal to the current fiscal year PMPMs for
84 the ACOs and the behavioral health plans multiplied by 102%, and less than or equal
85 to the current fiscal year PMPMs for the ACOs and the behavioral health plans
86 multiplied by the General Fund growth factor.

87 (5) The appropriations provided to the department for behavioral health plans under this
88 section shall be reduced by the amount contributed by counties in the current fiscal year
89 for behavioral health plans in accordance with Subsections 17-43-201(5)(k) and
90 17-43-301(6)(a)(x).

91 (6) In order for the department to estimate the impact of Subsections (2) through (4) before
92 identification of the next fiscal year ongoing General Fund revenue estimate, the
93 Governor's Office of Planning and Budget shall, in cooperation with the Office of the
94 Legislative Fiscal Analyst, develop an estimate of ongoing General Fund revenue for the
95 next fiscal year and provide the estimate to the department no later than November 1 of
96 each year.

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

101 Section 2. **Effective date.**

102 This bill takes effect on May 1, 2024.