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S.B. 154

MEDICAID ACCOUNTABLE CARE ORGANIZATIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: J. Stuart Adams

House Sponsor: _____

LONG TITLE

General Description:

This bill amends the Medical Assistance Programs of the Utah Health Code.

Highlighted Provisions:

This bill:

- defines terms; and
- includes the cost of a mandated Medicaid program change in the baseline Medicaid accountable care organization funding for a certain period of time.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

26-18-405, as enacted by Laws of Utah 2011, Chapter 211

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

Section 1. Section **26-18-405** is amended to read:

26-18-405. Waivers to maximize replacement of fee-for-service delivery model -- Cost of mandated program changes.

(1) The department shall develop a proposal to amend the state plan for the Medicaid

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program in a way that maximizes replacement of the fee-for-service delivery model with one or more risk-based delivery models.

(2) The proposal shall:

(a) restructure the program's provider payment provisions to reward health care providers for delivering the most appropriate services at the lowest cost and in ways that, compared to services delivered before implementation of the proposal, maintain or improve recipient health status;

(b) restructure the program's cost sharing provisions and other incentives to reward recipients for personal efforts to:

(i) maintain or improve their health status; and

(ii) use providers that deliver the most appropriate services at the lowest cost;

(c) identify the evidence-based practices and measures, risk adjustment methodologies, payment systems, funding sources, and other mechanisms necessary to reward providers for delivering the most appropriate services at the lowest cost, including mechanisms that:

(i) pay providers for packages of services delivered over entire episodes of illness rather than for individual services delivered during each patient encounter; and

(ii) reward providers for delivering services that make the most positive contribution to a recipient's health status;

(d) limit total annual per-patient-per-month expenditures for services delivered through fee-for-service arrangements to total annual per-patient-per-month expenditures for services delivered through risk-based arrangements covering similar recipient populations and services; and

(e) except as provided in Subsection (4), limit the rate of growth in per-patient-per-month General Fund expenditures for the program to the rate of growth in General Fund expenditures for all other programs, when the rate of growth in the General Fund expenditures for all other programs is greater than zero.

(3) To the extent possible, the department shall develop the proposal with the input of stakeholder groups representing those who will be affected by the proposal.

[~~(4) No later than June 1, 2011, the department shall submit a written report on the development of the proposal to the Legislature's Executive Appropriations Committee, Social Services Appropriations Subcommittee, and Health and Human Services Interim Committee.~~]

[~~(5) No later than July 1, 2011, the department shall submit to the Centers for Medicare and Medicaid Services within the United States Department of Health and Human Services a request for waivers from federal statutory and regulatory law necessary to implement the proposal.~~]

[~~(6) After the request for waivers has been made, and prior to its implementation, the department shall report to the Legislature in accordance with Section 26-18-3 on any modifications to the request proposed by the department or made by the Centers for Medicare and Medicaid Services.~~]

[~~(7) The department shall implement the proposal in the fiscal year that follows the fiscal year in which the United States Secretary of Health and Human Services approves the request for waivers.~~]

(4) (a) For purposes of this Subsection (4), "mandated program change" means a change to the state Medicaid program that is required by federal or state law.

(b) A mandated program change shall be included in the baseline funding for the Medicaid program during the first fiscal year following the year in which the Medicaid program adopts the mandated program change.

(c) The mandated program change is not subject to the limit on the rate of growth in per-patient-per-month General Fund expenditures for the program established in Subsection (2)(e), until after the budget year designated in Subsection (4)(b).

Legislative Review Note
Office of Legislative Research and General Counsel