

**Representative Stewart E. Barlow** proposes the following substitute bill:

**REAUTHORIZATION OF HOSPITAL PROVIDER**

**ASSESSMENT ACT**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stewart E. Barlow**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends and reauthorizes the Hospital Provider Assessment Act.

**Highlighted Provisions:**

This bill:

- ▶ amends provisions relating to the calculation of hospital provider assessment rates;
- and
- ▶ extends the sunset date for the Hospital Provider Assessment Act for five years.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**26-36d-203**, as enacted by Laws of Utah 2018, Third Special Session, Chapter 1

**26-36d-205**, as enacted by Laws of Utah 2018, Third Special Session, Chapter 1

**63I-1-226**, as last amended by Laws of Utah 2018, Chapters 180, 281, 384, 430, and

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

Section 1. Section **26-36d-203** is amended to read:

**26-36d-203. Calculation of assessment.**

(1) (a) An annual assessment is payable on a quarterly basis for each hospital in an amount calculated at a uniform assessment rate for each hospital discharge, in accordance with this section.

(b) The uniform assessment rate shall be determined using the total number of hospital discharges for assessed hospitals divided into the total non-federal portion in an amount consistent with ~~[Section]~~ Subsections 26-36d-205 (1)(a) and (b) that is needed to support capitated rates for accountable care organizations for purposes of hospital services provided to Medicaid enrollees.

(c) Any quarterly changes to the uniform assessment rate shall be applied uniformly to all assessed hospitals.

(d) The annual uniform assessment rate may not generate more than:

(i) \$1,000,000 to offset Medicaid mandatory expenditures; and

(ii) the non-federal share to seed amounts needed to support capitated rates for accountable care organizations as provided for in Subsection (1)(b).

(2) (a) For each state fiscal year, discharges shall be determined using the data from each hospital's Medicare Cost Report contained in the Centers for Medicare and Medicaid Services' Healthcare Cost Report Information System file. The hospital's discharge data will be derived as follows:

(i) for state fiscal year 2013, the hospital's cost report data for the hospital's fiscal year ending between July 1, 2009, and June 30, 2010;

(ii) for state fiscal year 2014, the hospital's cost report data for the hospital's fiscal year ending between July 1, 2010, and June 30, 2011;

(iii) for state fiscal year 2015, the hospital's cost report data for the hospital's fiscal year ending between July 1, 2011, and June 30, 2012;

(iv) for state fiscal year 2016, the hospital's cost report data for the hospital's fiscal year ending between July 1, 2012, and June 30, 2013; and

(v) for each subsequent state fiscal year, the hospital's cost report data for the hospital's

57 fiscal year that ended in the state fiscal year two years prior to the assessment fiscal year.

58 (b) If a hospital's fiscal year Medicare Cost Report is not contained in the Centers for  
59 Medicare and Medicaid Services' Healthcare Cost Report Information System file:

60 (i) the hospital shall submit to the division a copy of the hospital's Medicare Cost  
61 Report applicable to the assessment year; and

62 (ii) the division shall determine the hospital's discharges.

63 (c) If a hospital is not certified by the Medicare program and is not required to file a  
64 Medicare Cost Report:

65 (i) the hospital shall submit to the division its applicable fiscal year discharges with  
66 supporting documentation;

67 (ii) the division shall determine the hospital's discharges from the information  
68 submitted under Subsection (2)(c)(i); and

69 (iii) the failure to submit discharge information shall result in an audit of the hospital's  
70 records and a penalty equal to 5% of the calculated assessment.

71 (3) Except as provided in Subsection (4), if a hospital is owned by an organization that  
72 owns more than one hospital in the state:

73 (a) the assessment for each hospital shall be separately calculated by the department;  
74 and

75 (b) each separate hospital shall pay the assessment imposed by this chapter.

76 (4) Notwithstanding the requirement of Subsection (3), if multiple hospitals use the  
77 same Medicaid provider number:

78 (a) the department shall calculate the assessment in the aggregate for the hospitals  
79 using the same Medicaid provider number; and

80 (b) the hospitals may pay the assessment in the aggregate.

81 Section 2. Section **26-36d-205** is amended to read:

82 **26-36d-205. Medicaid hospital adjustment under accountable care organization**  
83 **rates.**

84 (1) To preserve and improve access to hospital services, the division shall, for  
85 accountable care organization rates effective on or after April 1, 2013, incorporate [~~an~~  
86 ~~annualized amount equal to \$154,000,000~~] into the accountable care organization rate structure  
87 calculation consistent with the certified actuarial rate range[-:];

88 (a) \$154,000,000 to be allocated towards the hospital inpatient directed payments for  
89 the Medicaid eligibility categories covered in Utah before January 1, 2019; and

90 (b) an amount equal to the difference between payments made to hospitals by  
91 accountable care organizations for the Medicaid eligibility categories covered in Utah before  
92 January 1, 2019, based on submitted encounter data and the maximum amount that could be  
93 paid for those services using Medicare payment principles to be used for directed payments to  
94 hospitals for outpatient services.

95 (2) (i) The department shall consider all amounts included in the accountable care  
96 organization rate structure under this section as target amounts.

97 (ii) The department may not require retroactive reconciliation as a result of enrollment  
98 changes or changes in other parts of the accountable care organization rate structure.

99 Section 3. Section **63I-1-226** is amended to read:

100 **63I-1-226. Repeal dates, Title 26.**

101 (1) Section **26-1-40** is repealed July 1, 2019.

102 (2) Title 26, Chapter 9f, Utah Digital Health Service Commission Act, is repealed July  
103 1, 2025.

104 (3) Section **26-10-11** is repealed July 1, 2020.

105 (4) Subsection **26-18-417(3)** is repealed July 1, 2020.

106 (5) Title 26, Chapter 33a, Utah Health Data Authority Act, is repealed July 1, 2024.

107 (6) Title 26, Chapter 36b, Inpatient Hospital Assessment Act, is repealed July 1, 2024.

108 (7) Title 26, Chapter 36c, Medicaid Expansion Hospital Assessment Act, is repealed  
109 July 1, 2024.

110 (8) Title 26, Chapter 36d, Hospital Provider Assessment Act, is repealed July 1, [2019]  
111 2024.

112 (9) Title 26, Chapter 56, Hemp Extract Registration Act, is repealed January 1, 2019.

113 (10) Title 26, Chapter 63, Nurse Home Visiting Pay-for-Success Program, is repealed  
114 July 1, 2026.