



# LegisLetter

Tuesday, March 16, 2010

UHA, Utah Hospitals & Health Systems Association

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## Legislative Links

<http://www.le.state.ut.us/>  
*Official web page of the Utah State  
Legislature*

[http://uha-  
utah.org/advocacy.html](http://uha-utah.org/advocacy.html)

## UHA Corporate Sponsors

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[www.molinahealthcare.com](http://www.molinahealthcare.com)

[www.ut.regence.com](http://www.ut.regence.com)

## Other Useful Links

<http://www.aha.org/>

## Thank You To All UHA Members For Their Help and Hard Work During This Successful Legislative Session

UHA appreciates all of the extra hard work and effort by hospital leaders during this successful legislative session. We appreciate the success we all achieved in another extraordinarily difficult budget year. We would particularly like to thank the members of the UHA Government Relations Committee chaired by **David Entwistle**. We appreciate the time and effort made by the following committee members: **Bill Barnes, Gordon Crabtree, Chris Dallin, Alan Dayton, Si Hutt, Mike Jensen, Bryant Larsen, Jeff Manley, Kevin McEwan, Kirk Olsen, Greg Poulsen, Bob Reeder, Richard Sperry, Mark Stoddard, Spencer Stokes, Bryanie Swilley, Doug Boudreaux, Kim Wirthlin and John Worley.**

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## Hospital Assessment Legislation Passes

**S.B. 273 – Hospital Assessment** sponsored by Senator Lyle Hillyard passed the Legislature after much hard work and effective lobbying. This legislation will restore the vast majority of the funding that would otherwise have been cut 32% from hospital inpatient Medicaid payment rates. UHA will be working immediately with the Utah Department of Health and CMS to make sure the assessment is implemented as quickly as possible for the participating hospitals. This legislation will provide funding to hospitals for the second half of fiscal year 2010 (which we are currently in) and for the next three fiscal years beyond. As part of the price for passage of this legislation, the Legislature imposed an additional assessment of \$1 million annually on hospitals to replace funding they cut dealing with Medicaid managed care. Thanks to all of you who lobbied your local legislators as this was one of the keys to passage of this important legislation.

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## Medicaid Hospital Outpatient Payments To Be Cut

The success of the assessment legislation did not leave hospitals unscathed with regard to Medicaid outpatient payments. Hospital outpatient payments will be cut in the remainder of the FY2010 budget that ends June 30, 2010 and will be cut approximately 7% in FY2011. Due to a Medicaid audit and legislators concern that some hospital Medicaid outpatient payments may be too high, the Legislature also

<http://www.healthinsight.org/>  
<http://www.rules.utah.gov/>

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passed intent language to phase in a hospital Medicaid outpatient fee schedule to be fully implemented by July 1, 2011 to replace the current percent of charges payment system. UHA lobbied hard to successfully delay this implementation for one year and to have a different and reasonable fee schedule for urban hospitals, rural hospitals and ambulatory surgical centers. The initial legislative proposals would have paid all hospitals and surgical centers the same – the lowest amount currently paid to anyone. That proposal was defeated by UHA and UHA will work with the Utah Department of Health and all hospitals to arrive at a reasonable and fair fee schedule over the next year. UHA also successfully lobbied to allow for the assessment legislation to include an additional \$1 million over the next fiscal year to lessen the outpatient cuts from 10% to approximately 7% during this transition. Virtually no eligibility categories for Medicaid were cut. **H.B. 397- Medicaid Program Amendments** passed this session in an attempt to make a number of changes in the Medicaid program. This legislation requires the Utah Department of Health to study and report on the feasibility of establishing a medical home model for Medicaid as well as whether there should be direct contracting with providers in providing primary care services. This legislation also authorizes the Department of Health to apply for Medicaid health opportunity accounts. **H.B. 421 – Medical Financial Records Amendments** will allow hospitals to obtain financial information of a patient from a bank or other financial institution when assisting that patient determine their Medicaid eligibility. For more in depth analysis on Medicaid and the Health Department budget, please go to the legislative website at [www.le.state.ut.us](http://www.le.state.ut.us) for additional information.

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### Health Reform Bills Pass Again This Session

In the fourth year of the Legislatures efforts to reform health care a number of bills passed. Most of these bills were amendments or changes to health reform legislation that had already been passed that needed to be changed for a variety of reasons. **H.B. 294 – Health System Reform** sponsored by Speaker David Clark was the major health reform bill this session. It specifically addressed improvements to make the Utah Health Insurance Exchange more effective and available to a wider group of businesses and individuals. It also will increase the transparency of health care costs to consumers and businesses as well as make a variety of other changes to health insurance laws. **H.B. 20 – Amendments to Health Insurance Coverage in State Contracts** essentially makes technical changes to the reform law passed last year that requires certain state contractors to have health insurance for their employees to receive state contracts. **H.B. 25 – Health Reform Administrative Simplification** will provide uniform language for divorce decrees and child support orders to help with coordination of benefits for health insurance payments to providers when dependent children are covered by both parents separate health insurance. **H.B. 52 – Health Reform – Uniform Electronic Standards** continues the facilitation of electronic medical records as a part of the reform process.

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### **Medical Malpractice Tort Reform Legislation Passes**

**S.B. 145 – Medical Malpractice Amendments** by Senator Stuart Adams is an important step forward for Utah’s health care providers. It lowers the monetary cap on non-economic damages to \$450,000 per case as well as making that a permanent cap that will not increase as inflation increases. This legislation also essentially stops a claim of ostensible agency as a cause of action against hospitals and other providers. Finally, this legislation tightens up the pre-litigation panel process to weed out non meritorious claims by requiring an affidavit from a medical expert for a case to proceed to litigation. In addition, **H.B. 408 – Hospital Claims Management and H.J.R. 34 – Joint Resolution on Hospital Claims Management** will make it more easy and effective for health care providers to say they are sorry when an unfortunate medical outcome occurs. This legislation also sets up a voluntary pilot program to find a more expeditious way to solve medical malpractice claims in the future through the possibility of better dialogue between providers and patients.

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### **Other Health Care Bills of Interest**

A number of bills passed to address the growing problem of prescription drug abuse. Neither bill addressing the licensing of a new category of providers called anesthesiologist assistants passed this session. Legislation also passed clarifying how insurance companies must give patients prior authorization notification for medical procedures. This was a big year for health care resolutions. A variety of resolutions passed dealing with federal health reform, provider transparency, authentic charity care as well as other issues but these resolutions do not have the force of law.

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### **Many Healthcare Issues Set For Interim Study By The State Legislature**

Over thirty healthcare issues have been identified in the master study resolution for possible discussion by legislative committees in the coming year. There are a variety of Medicaid issues that may be discussed including review and recodification of all Medicaid related laws, end of life care, Medicaid program improvements and Medicaid fraud enforcement improvement. Other issues directly impacting hospitals that may be studied in the interim include safe needle disposal, hospital acquired infections and appropriate use of the emergency room. Finally, the ever present efforts with regard to state and federal health reform will be layered on top of all of these other issues. Obviously, if major federal health reform is passed this coming year, that will have a major impact on what happens at the state level and could push to the side many of these issues as the Legislature grapples with implementing federal health reform at the state level.

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### **2010 Will Be A Big Political Year in Utah and Nationally**

The federal healthcare reform debate will likely have a decisive role in the make up of the U.S. Congress after the elections this November. We are in one of the most fluid and unpredictable election cycles in at least a generation. Don't forget that in Utah we will have an election for Governor, U.S. Senate and all three Congressional seats as well as all state legislators and half of the Utah Senate. UHA encourages its members to be actively involved in the party of their choice to make sure that effective and supportive legislators will be elected in 2010.

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### **UHA Is Here To Help You Keep Informed**

Please visit the UHA website at [www.uth-utah.org](http://www.uth-utah.org) for more legislative information. For additional legislative information you can also go to the legislative website at [www.le.state.ut.us](http://www.le.state.ut.us) where you can read passed legislation, find more detailed budget information and find lots of other pertinent information. If you have specific questions or concerns, please e-mail Dave Gessel at [dave@uha-utah.org](mailto:dave@uha-utah.org) or call him at 801-231-3404.

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