

1 **Social Services Funding Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Raymond P. Ward**

Senate Sponsor:

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2 **LONG TITLE**

3 **General Description:**

4 This bill addresses social services funding.

5 **Highlighted Provisions:**

6 This bill:

7 ▶ provides that interest earned on money in the Medicaid ACA Fund shall be deposited into  
8 the General Fund;

9 ▶ requires immunosuppressive drugs to be added to the Medicaid preferred drug list;

10 ▶ requires the Department of Health and Human Services (department) to:

11 • transition the state's Children's Health Insurance Program from a separate program, to  
12 providing benefits under the state's Medicaid program; and

13 • to the extent possible, provide dental services to individuals covered by the Children's  
14 Health Insurance Program through the University of Utah School of Dentistry;

15 ▶ increases the funds appropriated from the Tobacco Settlement Restricted Account to the  
16 department for children in the Medicaid program; and

17 ▶ makes technical and conforming changes.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 This bill provides a special effective date.

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **26B-1-315 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah  
25 2025, Chapter 135

26 **26B-1-315 (Effective 07/01/26) (Repealed 07/01/34)**, as last amended by Laws of Utah  
27 2025, Chapter 285

28 **26B-3-105 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 135

29 **26B-3-902 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2023,  
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31 Chapter 306

32 **51-9-201 (Effective 05/06/26)**, as last amended by Laws of Utah 2023, Chapter 328

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

35 Section 1. Section **26B-1-315** is amended to read:

36 **26B-1-315 (Effective 05/06/26) (Superseded 07/01/26). Medicaid ACA Fund.**

37 (1) There is created an expendable special revenue fund known as the "Medicaid ACA  
38 Fund."

39 (2) The fund consists of:

- 40 (a) assessments collected under Chapter 3, Part 5, Inpatient Hospital Assessment;
- 41 (b) intergovernmental transfers under Section 26B-3-508;
- 42 (c) savings attributable to the health coverage improvement program, as defined in
- 43 Section 26B-3-501, as determined by the department;
- 44 (d) savings attributable to the enhancement waiver program, as defined in Section
- 45 26B-3-501, as determined by the department;
- 46 (e) savings attributable to the Medicaid waiver expansion, as defined in Section
- 47 26B-3-501, as determined by the department;
- 48 (f) revenues collected from the sales tax described in Subsection 59-12-103(11);
- 49 (g) gifts, grants, donations, or any other conveyance of money that may be made to the
- 50 fund from private sources; and
- 51 ~~[(h) interest earned on money in the fund; and]~~
- 52 ~~[(i) (h) additional amounts as appropriated by the Legislature.~~

53 (3)(a) The fund shall earn interest.

54 (b) All interest earned on fund money shall be deposited into the ~~[fund]~~ General Fund.

55 (4)(a) A state agency administering the provisions of Chapter 3, Part 5, Inpatient  
56 Hospital Assessment, may use money from the fund to pay the costs, not otherwise  
57 paid for with federal funds or other revenue sources, of:

- 58 (i) the health coverage improvement program as defined in Section 26B-3-501;
- 59 (ii) the enhancement waiver program as defined in Section 26B-3-501;
- 60 (iii) a Medicaid waiver expansion as defined in Section 26B-3-501; and
- 61 (iv) the outpatient upper payment limit supplemental payments under Section
- 62 26B-3-511.

63 (b) A state agency administering the provisions of Chapter 3, Part 5, Inpatient Hospital  
64 Assessment, may not use:

65 (i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper  
66 payment limit supplemental payments; or

67 (ii) money in the fund for any purpose not described in Subsection (4)(a).

68 Section 2. Section **26B-1-315** is amended to read:

69 **26B-1-315 (Effective 07/01/26) (Repealed 07/01/34). Medicaid ACA Fund.**

70 (1) There is created an expendable special revenue fund known as the "Medicaid ACA  
71 Fund."

72 (2) The fund consists of:

73 (a) assessments collected under Chapter 3, Part 5, Inpatient Hospital Assessment;

74 (b) intergovernmental transfers under Section 26B-3-508;

75 (c) savings attributable to the health coverage improvement program, as defined in  
76 Section 26B-3-501, as determined by the department;

77 (d) savings attributable to the enhancement waiver program, as defined in Section  
78 26B-3-501, as determined by the department;

79 (e) savings attributable to the Medicaid waiver expansion, as defined in Section  
80 26B-3-501, as determined by the department;

81 (f) revenues collected from the sales tax described in Subsection 59-12-103(6);

82 (g) gifts, grants, donations, or any other conveyance of money that may be made to the  
83 fund from private sources; and

84 [~~(h) interest earned on money in the fund; and~~]

85 [~~(+)~~ (h) additional amounts as appropriated by the Legislature.

86 (3)(a) The fund shall earn interest.

87 (b) All interest earned on fund money shall be deposited into the [~~fund~~] General Fund.

88 (4)(a) A state agency administering the provisions of Chapter 3, Part 5, Inpatient  
89 Hospital Assessment, may use money from the fund to pay the costs, not otherwise  
90 paid for with federal funds or other revenue sources, of:

91 (i) the health coverage improvement program as defined in Section 26B-3-501;

92 (ii) the enhancement waiver program as defined in Section 26B-3-501;

93 (iii) a Medicaid waiver expansion as defined in Section 26B-3-501; and

94 (iv) the outpatient upper payment limit supplemental payments under Section  
95 26B-3-511.

96 (b) A state agency administering the provisions of Chapter 3, Part 5, Inpatient Hospital  
97 Assessment, may not use:

98 (i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper

99 payment limit supplemental payments; or  
100 (ii) money in the fund for any purpose not described in Subsection (4)(a).

101 Section 3. Section **26B-3-105** is amended to read:

102 **26B-3-105 (Effective 05/06/26). Medicaid drug program -- Preferred drug list.**

103 (1) As used in this section:

104 (a) "Immunosuppressive drug" means a drug that:

105 (i) is used in immunosuppressive therapy to inhibit or prevent activity of the immune  
106 system to aid the body in preventing the rejection of transplanted organs and  
107 tissue; and

108 (ii) does not include drugs used for the treatment of autoimmune disease or diseases  
109 that are most likely of autoimmune origin.

110 (b) "Psychotropic drug" means the following classes of drugs:

111 (i) anti-depressant;

112 (ii) anti-convulsant/mood stabilizer;

113 (iii) anti-anxiety; and

114 (iv) attention deficit hyperactivity disorder stimulant.

115 (c) "Stabilized" means a health care provider has documented in the patient's medical  
116 chart that a patient has achieved a stable or steadfast medical state within the past 90  
117 days.

118 (2) A Medicaid drug program developed by the department under Subsection  
119 26B-3-104(2)(f):

120 (a) shall, notwithstanding Subsection 26B-3-104(1)(b), be based on clinical and  
121 cost-related factors which include medical necessity as determined by a provider in  
122 accordance with administrative rules established by the Drug Utilization Review  
123 Board;

124 (b) may include therapeutic categories of drugs that may be exempted from the drug  
125 program;

126 (c) notwithstanding Section 58-17b-606, may include placing some drugs on a preferred  
127 drug list:

128 (i) to the extent determined appropriate by the department; and

129 (ii) in the manner described in Subsection (4) for atypical anti-psychotic drugs;

130 (d) notwithstanding the requirements of Sections 26B-3-302 through 26B-3-309  
131 regarding the Drug Utilization Review Board, and except as provided in Subsection  
132 (4), shall immediately implement the prior authorization requirements for a

- 133 nonpreferred drug that is in the same therapeutic class as a drug that is:
- 134 (i) on the preferred drug list on the date that this act takes effect; or
- 135 (ii) added to the preferred drug list after this act takes effect; and
- 136 (e) except as prohibited by Subsections 58-17b-606(4) and (5), shall establish the prior
- 137 authorization requirements which shall permit a health care provider or the health
- 138 care provider's agent to obtain a prior authorization override of the preferred drug list
- 139 through the department's pharmacy prior authorization review process, and which
- 140 shall:
- 141 (i) provide either telephone or fax approval or denial of the request within 24 hours of
- 142 the receipt of a request that is submitted during normal business hours of Monday
- 143 through Friday from 8 a.m. to 5 p.m.;
- 144 (ii) provide for the dispensing of a limited supply of a requested drug as determined
- 145 appropriate by the department in an emergency situation, if the request for an
- 146 override is received outside of the department's normal business hours; and
- 147 (iii) require the health care provider to provide the department with documentation of
- 148 the medical need for the preferred drug list override in accordance with criteria
- 149 established by the department in consultation with the Pharmacy and Therapeutics
- 150 Committee.
- 151 (3)(a)(i) [A] Except as provided in Subsection (3)(a)(ii), a preferred drug list
- 152 developed under the provisions of this section may not include an
- 153 immunosuppressive drug.
- 154 (ii) Beginning on March 1, 2027, the department shall include immunosuppressive
- 155 drugs on the preferred drug list.
- 156 [(†)] (b) The state Medicaid program shall reimburse for a prescription for an
- 157 immunosuppressive drug as written by the health care provider for a patient who has
- 158 undergone an organ transplant.
- 159 [(††)] (c) For purposes of Subsection 58-17b-606(4), and with respect to patients who
- 160 have undergone an organ transplant, the prescription for a particular
- 161 immunosuppressive drug as written by a health care provider meets the criteria of
- 162 demonstrating to the department a medical necessity for dispensing the prescribed
- 163 immunosuppressive drug.
- 164 [(†††)] (d) Notwithstanding the requirements of Sections 26B-3-302 through 26B-3-309
- 165 regarding the Drug Utilization Review Board, the state Medicaid drug program may
- 166 not require the use of step therapy for immunosuppressive drugs without the written

- 167 or oral consent of the health care provider and the patient.
- 168 (4)(a)(i) The department shall include atypical anti-psychotic drugs on the preferred  
169 drug list.
- 170 (ii) The department shall allow a health care provider to override the preferred drug  
171 list for an atypical anti-psychotic drug by writing "dispense as written" on the  
172 prescription for the atypical anti-psychotic drug.
- 173 (iii) A health care provider may not override Section 58-17b-606 by writing  
174 "dispense as written" on a prescription.
- 175 (b) The department, and a Medicaid accountable care organization that is responsible for  
176 providing behavioral health, shall establish a system to:
- 177 (i) track health care provider prescribing patterns for atypical anti-psychotic drugs;  
178 (ii) educate health care providers who are not complying with the preferred drug list;  
179 and  
180 (iii) implement peer to peer education for health care providers whose prescribing  
181 practices continue to not comply with the preferred drug list.
- 182 (5) For enrollees that begin a psychotropic drug treatment on or after July 1, 2025, the  
183 department shall pay for a psychotropic drug that is not on the preferred drug list if the  
184 department, based on patient claims history or health care provider attestation, has  
185 evidence of:
- 186 (a) an enrollee's trial and failure of a psychotropic drug on the preferred drug list that is  
187 equivalent or similar to the drug that is not on the preferred drug list in the last 365  
188 days; or  
189 (b) the enrollee being stabilized on the psychotropic drug that is not on the preferred  
190 drug list at the time of enrollment.

191 Section 4. Section **26B-3-902** is amended to read:

192 **26B-3-902 (Effective 05/06/26). Creation and administration of the Utah**  
193 **Children's Health Insurance Program.**

- 194 (1) There is created the Utah Children's Health Insurance Program to be administered by  
195 the department in accordance with the provisions of:
- 196 (a) this part; and  
197 (b) the State Children's Health Insurance Program, 42 U.S.C. Sec. 1397aa et seq.
- 198 (2) The department shall:
- 199 (a) prepare and submit the state's children's health insurance plan before May 1, 1998,  
200 and any amendments to the United States Department of Health and Human Services

- 201 in accordance with 42 U.S.C. Sec. 1397ff; and
- 202 (b) make rules in accordance with Title 63G, Chapter 3, Utah Administrative
- 203 Rulemaking Act, regarding:
- 204 (i) eligibility requirements consistent with Section 26B-3-108;
- 205 (ii) program benefits;
- 206 (iii) the level of coverage for each program benefit;
- 207 (iv) cost-sharing requirements for members, which may not:
- 208 (A) exceed the guidelines set forth in 42 U.S.C. Sec. 1397ee; or
- 209 (B) impose deductible, copayment, or coinsurance requirements on a member for
- 210 well-child, well-baby, and immunizations;
- 211 (v) the administration of the program; and
- 212 (vi) a requirement that:
- 213 (A) members in the program shall participate in the electronic exchange of clinical
- 214 health records established in accordance with Section 26B-8-411 unless the
- 215 member opts out of participation;
- 216 (B) prior to enrollment in the electronic exchange of clinical health records the
- 217 member shall receive notice of the enrollment in the electronic exchange of
- 218 clinical health records and the right to opt out of participation at any time; and
- 219 (C) beginning July 1, 2012, when the program sends enrollment or renewal
- 220 information to the member and when the member logs onto the program's
- 221 website, the member shall receive notice of the right to opt out of the electronic
- 222 exchange of clinical health records.

223 (3)(a) Before July 1, 2026, the department shall apply for a state plan amendment to

224 transition the state's Children's Health Insurance Program from a separate program

225 under 42 U.S.C. Sec. 1397aa(a)(1), to providing benefits under the state's Medicaid

226 program under 42 U.S.C. Sec. 1397aa(1)(2).

227 (b) To the extent possible, dental services for individuals covered by the state's

228 Children's Health Insurance Program shall be provided through the University of

229 Utah School of Dentistry and the University of Utah School of Dentistry's associated

230 statewide network.

231 Section 5. Section **51-9-201** is amended to read:

232 **51-9-201 (Effective 05/06/26). Creation of Tobacco Settlement Restricted**

233 **Account.**

234 (1) There is created within the General Fund a restricted account known as the "Tobacco

- 235 Settlement Restricted Account."
- 236 (2) The account shall earn interest.
- 237 (3) The account shall consist of:
- 238 (a) on and after July 1, 2007, 60% of all funds of every kind that are received by the
- 239 state that are related to the settlement agreement that the state entered into with
- 240 leading tobacco manufacturers on November 23, 1998; and
- 241 (b) interest earned on the account.
- 242 (4) To the extent that funds will be available for appropriation in a given fiscal year, those
- 243 funds shall be appropriated from the account in the following order:
- 244 (a) \$66,600 to the Office of the Attorney General for ongoing enforcement and defense
- 245 of the Tobacco Settlement Agreement;
- 246 (b) \$18,500 to the State Tax Commission for ongoing enforcement of business
- 247 compliance with the Tobacco Tax Settlement Agreement;
- 248 (c) [~~\$11,022,900~~] \$12,722,900 to the Department of Health and Human Services for:
- 249 (i) children in the Medicaid program created in Title 26B, Chapter 3, Health Care -
- 250 Administration and Assistance, and the Children's Health Insurance Program
- 251 created in Section 26B-3-902; and
- 252 (ii) for restoration of dental benefits in the Children's Health Insurance Program;
- 253 (d) \$3,277,100 to the Department of Health and Human Services for alcohol, tobacco,
- 254 and other drug prevention, reduction, cessation, and control programs that promote
- 255 unified messages and make use of media outlets, including radio, newspaper,
- 256 billboards, and television, and with a preference in funding given to tobacco-related
- 257 programs;
- 258 (e) \$193,700 to the Administrative Office of the Courts and \$2,325,400 to the
- 259 Department of Health and Human Services for the statewide expansion of the drug
- 260 court program;
- 261 (f) \$4,000,000 to the Utah Board of Higher Education for the University of Utah Health
- 262 Sciences Center to benefit the health and well-being of Utah citizens through in-state
- 263 research, treatment, and educational activities; and
- 264 (g) any remaining funds as directed by the Legislature through appropriation.

265 Section 6. **Effective Date.**

- 266 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.
- 267 (2) The actions affecting Section 26B-1-315 (Effective 07/01/26) (Repealed 07/01/34) take
- 268 effect on July 1, 2026.