



**TO: The Honorable Spencer J. Cox**  
**Utah Lt. Governor's Office**  
**Utah State Capitol Building**  
**350 State Street, Suite 220**

**FROM: Utah Decides Healthcare Campaign**

**DATE: Monday, October 2, 2017**

**RE: Utah Decides Healthcare Initiative Application**

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As sponsors of the *Utah Decides Healthcare* Initiative, we believe adequate medical care is crucial to the health and welfare of the residents of Utah.

Watching out for our neighbors is one of our state's hallmarks; it binds our community. And we know the importance of making sure that hard-working, low-income citizens can access meaningful healthcare coverage. The *Utah Decides Healthcare Act* will allow tens of thousands of our neighbors to receive the medical coverage they need.

While politicians in Washington squabble, we can chart our own course based on Utah values and choosing what's right for our families. Through this effort, citizens will decide the best way to provide needed healthcare in our state.

Respectfully,

Beth Armstrong, Park City  
Karina Andelin Brown, Logan  
Bishop Scott Hayashi, Salt Lake City  
Alan Ormsby, Salt Lake City  
Senator Brian Shiozawa, Salt Lake City

Received

OCT 02 2017

Spencer J. Cox  
Lieutenant Governor

Campaign Contact:  
Dina Blaes  
801-537-0900  
dina@exoro.com

# Application for an Initiative or Referendum

Utah Code 20A-7-202



**PLEASE NOTE:** A copy of the proposed law must be attached to this application along with a statement indicating whether or not signature gatherers will be paid for their services.

Please type or print

Application must be completed by five sponsors

## Sponsor Statement

1. Scott Byron Hayashi  
Name of Sponsor (please type or print)

affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.

2649 E. Chalet Circle  
Residence Address

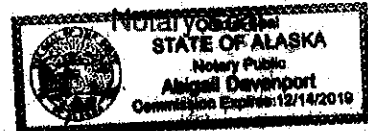
Scott Byron Hayashi  
Sponsor's Signature

Cottonwood Heights, UT 84095 801-733-9952  
City, State, Zip Phone Number

Subscribed and affirmed before me this 20 day of September 2017

[Signature]  
Notary Public

My commission expires 12/14/19



To File this Form  
Mail or deliver to  
Lieutenant Governor's Office  
Utah State Capitol  
Suite 220  
Salt Lake City, UT 84114-2325  
Fax (801) 538-1133  
For More Information call  
(801) 538-1041  
1-800-995-VOTE (8683)  
[elections@utah.gov](mailto:elections@utah.gov)

### For Office Use Only

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Received

OCT 02 2017

Spencer J. Cox  
Lieutenant Governor

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# Application for an Initiative or Referendum

Utah Code 20A-7-202



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## Sponsor Statement

I, Mary Elizabeth Armstrong affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.

Name of Sponsor (please type or print)

2574 Aspen Springs Drive

Residence Address

Park City, UT 84060

City, State, Zip

435-333-1875

Phone Number

Subscribed and affirmed before me this 20 day of Sept 2017

My commission expires 6-13-21

Notary Seal



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# Application for an Initiative or Referendum

Utah Code 20A-7-202



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Please type or print

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## Sponsor Statement

I, Brian E Sklar affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.

Name of Sponsor (please type or print)

3177 Ft Union Blvd

Residence Address

Sponsor's Signature

SALT LAKE CITY 801 230 3400

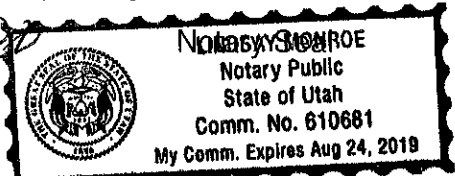
City, State, Zip

Phone Number

Subscribed and affirmed before me this 27 day of September 2017

Lindsay Monroe  
Notary Public

My commission expires Aug 24, 2019



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# Application for an Initiative or Referendum

Utah Code 20A-7-202



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Please type or print

Application must be completed by five sponsors

## Sponsor Statement

I, Alan K. Ormsby  
Name of Sponsor (please type or print)

affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.

1320 E. MILNE LANE  
Residence Address

Alan K. Ormsby  
Sponsor's Signature

MIDVALE UT 84047  
City, State, Zip

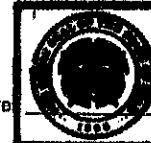
801-739-3816  
Phone Number

Notary Seal

Subscribed and affirmed before me this 28 day of Sept 2017

Jill Loscher  
Notary Public

My commission expires



**JILL LOSCHER**  
Notary Public • State of Utah  
Commission # 606470  
My Commission Expires  
September 9, 2021

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Lieutenant Governor's Office  
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\_\_\_\_\_

Date Received

# Application for an Initiative or Referendum

Utah Code 20A-7-202



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Please type or print

Application must be completed by five sponsors

## Sponsor Statement

I, Karina Andelin Brown affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.

Name of Sponsor (please type or print)

5331 Sleepy Hollow Lane

Residence Address

Karina Andelin Brown

Sponsor's Signature

Nibley, UT 84321

City, State, Zip

435-881-2798

Phone Number

Subscribed and affirmed before me this 22 day of September 2017



Brandon Campbell

Notary Public

My commission expires 3-6-2021

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## UTAH DECIDES HEALTHCARE ACT OF 2018

### Highlighted Provisions:

#### This initiative:

- mandates that the eligibility requirements for Medicaid and the Utah Children's Health Insurance Program ("CHIP") shall not become more restrictive than the requirements in effect on January 1, 2017;
- expands Medicaid so that all individuals with income equal to or less than 138% of the federal poverty line are eligible;
- prohibits caps on enrollment in Medicaid and CHIP beyond those in place on January 1, 2017;
- mandates that the categories of care and services and types of benefits available under Medicaid and CHIP shall not become more restrictive than those available on January 1, 2017;
- mandates that the premiums, beneficiary enrollment fees, and out-of-pocket costs for Medicaid and CHIP shall not be greater than those applicable on January 1, 2017;
- mandates that payment rates to Medicaid and CHIP providers for covered care and services shall not decrease below the rates in effect on January 1, 2017, subject to an annual adjustment;
- requires that accountable care organizations that contract to provide care and services under Medicaid or CHIP may not decrease payments to providers for such services below the rate that at least one accountable care organization paid on January 1, 2017, subject to an annual adjustment, and that payments by the state to accountable care organizations shall be sufficient for organizations to comply with this mandate;
- requires the maximization of federal financial participation in funding Medicaid and CHIP, and requires the use of state-only funds to fund Medicaid and CHIP if federal funds are not available;
- increases the sales tax rate from 4.7% to 4.85% and dedicates the additional revenue to implement the measures provided for in this Act and in the Medicaid program; and
- provides that its provisions are severable.

This act affects sections of Utah Code Annotated 1953 as follows:

#### ENACTS:

26-18-3.9, Utah Code Annotated 1953

#### AMENDS:

26-18-3.1, as last amended by Chapter 366, Laws of 2011

59-12-103, as last amended by Chapter 234, 421, and 422, Laws of 2017

This act enacts uncodified material.

*Be it enacted by the people of the State of Utah:*

Section 1. Title.

This act shall be known as the "Utah Decides Healthcare Act of 2018."

Section 2. Section **26-18-3.9** is enacted to read:

**26-18-3.9. Protecting and expanding the Medicaid program and Utah Children's Health Insurance Program.**

(1) Findings and purpose.

(a) Findings. The People of the State of Utah find that:

(i) Adequate medical care is crucial to the health and welfare of the residents of Utah;

(ii) It is essential that all Utahns have access to medical care, including preventive care, emergency services, and hospital care;

(iii) Utah's Medicaid program and Children's Health Insurance Program ("CHIP") provide care to Utahns who are unable to afford private health insurance and are not eligible for other health insurance. Medicaid and CHIP are vital parts of the Utah health care system and it is essential that they continue to provide health care for the most vulnerable citizens of our state;

(iv) However, over 250,000 Utahns remain uninsured and do not have adequate access to health care. Over 100,000 of the uninsured would be covered by Medicaid if the State of Utah were to expand eligibility to all adults at or below 138% of the federal poverty line;

(v) When people don't have access to care they are far more likely to develop chronic conditions, like diabetes or asthma, that often require expensive treatment for a patient's entire life, resulting in unnecessary suffering and driving up the cost of healthcare;

(vi) When medical providers provide care for which patients are not insured, the cost of that care is passed on to others, thus increasing the cost of medical care for all Utah residents;

(vii) It is critical to the survival of the Medicaid program that it remain adequately funded so that it can provide needed medical services to those who otherwise would not have access to care, and can compensate the providers who serve participants. The compensation to providers must be adequate to encourage providers to continue to treat patients on Medicaid; and

(viii) From moral, health and fiscal perspectives, protecting and expanding the Medicaid program in Utah is essential to maintaining the quality of life in our state.

(b) Purpose. The purpose of this measure is to preserve and strengthen medical care in the State of Utah by the following:

(i) Protecting Medicaid and CHIP so that they can continue to provide medical care to those who are currently eligible, and

(ii) Expanding Medicaid eligibility to adults with incomes at or below 138% of the federal poverty level.



(2) Eligibility. Eligibility for the Medicaid program shall be maintained for presently eligible individuals and expanded to cover additional low-income individuals.

(a) The standards, methodologies, and procedures for determining eligibility for the Medicaid program and CHIP shall be no more restrictive than the eligibility standards, methodologies, or procedures, respectively, that were in effect on January 1, 2017.

(b) Notwithstanding Sections 26-18-18 and 63J-5-204, the Medicaid program shall be expanded so that all individuals whose modified adjusted gross income is equal to or less than 138% of the federal poverty line are eligible for the Medicaid program. For purposes of this section, "modified adjusted gross income" has the meaning given in 26 U.S.C. Sec. 36B(d)(2) and is calculated in accordance with the requirements of 42 U.S.C. Sec. 1396a(e)(14) as those provisions existed on January 1, 2017.

(c) There shall be no caps on enrollment beyond those in place as of January 1, 2017.

(3) Care and Services. For each enrollment group or category in the Medicaid program and CHIP, the categories of care or services and the types of benefits provided in each category shall be no more restrictive than the categories of care or services and the types of benefits provided on January 1, 2017. Such services and benefits shall be provided in sufficient amount, duration, and scope to achieve their purposes.

(4) Out-of-Pocket Costs. Any premium, beneficiary enrollment fee, and cost sharing requirements applicable to care and services described in this section, including but not limited to co-pay, co-insurance, deductible, or out-of-pocket maximum, shall be no greater than those in effect on January 1, 2017.

(5) Provider payments.

(a) Payments to providers under the Medicaid program and CHIP for covered care and services shall be made at a rate not less than 100% of the payment rate that applied to such care and services on January 1, 2017, and shall increase annually at a rate not less than the region's Consumer Price Index.

(b) Managed care.

(i) If the department contracts with an accountable care organization or other organization to cover care and services under the Medicaid program or CHIP, a contract with that organization shall provide that the organization shall make payments to providers for items and services that are subject to the contract and that are furnished to individuals eligible for the Medicaid program or CHIP at a rate not less than 100% of the payment rate that at least one accountable care organization that contracted with the department paid for such care and services on January 1, 2017 (regardless of the manner in which such payments are made, including in the form of capitation or partial capitation), and that the minimum payment required by this provision will increase annually at a rate not less than the region's Consumer Price Index.

(ii) Payments by the administration to accountable care organizations or such other organizations shall be sufficient for the organizations to comply with the provider payment rate requirements of this Act.

(6) Nothing in this section shall prevent the people acting through initiative, the Legislature by statute, or the department by promulgating rules from:

(a) Expanding eligibility by adopting less restrictive eligibility standards, methodologies, or procedures than those permitted by subsection (2);

(b) Expanding covered care and services by adding to the list, amount, duration, or scope of covered care and services required by subsection (3);

(c) Reducing cost sharing below the maximum levels permitted by subsection (4); or

(d) Increasing provider payments above the minimum payments required by subsection

(5).

(7) For purposes of this section:

(a) The "Medicaid program" means the Medicaid program defined by section 26-18-2(4), including any waivers.

(b) The "Utah Children's Health Insurance Program" or "CHIP" means the Utah Children's Health Insurance Program created in Chapter 40, Utah Children's Health Insurance Act.

(8) The department shall maximize federal financial participation in implementing this section, including by seeking to obtain any necessary federal approvals or waivers.

Notwithstanding any other provision of law, benefits for care and services to eligible individuals described in this section shall be provided with state-only funds to the extent that federal financial participation is reduced or is not available.

(9) Severability. If any provision of this section or its application to any person or circumstance is held invalid, the remainder of this section shall be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

Section 3. Section **26-18-3.1** is amended to read:

**26-18-3.1. Medicaid expansion**

(1) The purpose of this section is to expand the coverage of the Medicaid program to persons who are in categories traditionally not served by that program.

(2) Within appropriations from the Legislature, the department may amend the state plan for medical assistance to provide for eligibility for Medicaid:

(a) on or after July 1, 1994, for children 12 to 17 years old who live in households below the federal poverty income guideline; and

(b) on or after July 1, 1995, for persons who have incomes below the federal poverty income guideline and who are aged, blind, or have a disability.

(3) (a) Within appropriations from the Legislature, on or after July 1, 1996, the Medicaid program may provide for eligibility for persons who have incomes below the federal poverty income guideline.

(b) In order to meet the provisions of this subsection, the department may seek approval for a demonstration project under 42 U.S.C. Section 1315 from the secretary of the United States Department of Health and Human Services. This demonstration project may also provide for the voluntary participation of private firms that:

- (i) are newly established or marginally profitable;
- (ii) do not provide health insurance to their employees;
- (iii) employ predominantly low wage workers; and
- (iv) are unable to obtain adequate and affordable health care insurance in the private market.

(4) The Medicaid program shall provide for eligibility for persons as required by Section 26-18-3.9(2).

(5) Subject to the requirements of Section 26-18-3.9(2) and (3), services [Services] available for persons described in this section shall include required Medicaid services and may include one or more optional Medicaid services if those services are funded by the Legislature. The department may also require persons described in this section to meet an asset test.

Section 4. Section **59-12-103** is amended to read:

59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.

...

- (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax is imposed on a transaction described in Subsection (1) equal to the sum of:
- (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
    - (A) ~~4.70~~4.85%; and
    - (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and
    - (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
  - (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

...

(14) Notwithstanding Subsections (3) through (13), the Division of Finance shall transfer the amount of revenue generated by a 0.15% tax rate on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated credits to the Division of Health Care Financing for the following uses:

- (a) implementation of the Medicaid expansion described in Sections 26-18-3.1(4) and 26-18-3.9(2);

(b) if revenue remains after the use specified in Subsection 14(a), other measures required by Section 26-18-3.9; and  
(c) if revenue remains after the uses specified in Subsections 14(a) and (b), other measures described in Title 26, Chapter 18, Medical Assistance Act.

Section 5. Competing Measures.

It is the intent of the People that the 0.15% increase to the state sales tax under Section 59-12-103(2)(a)(i)(A) provided herein be enacted in addition to any other increase to such rate enacted by any law submitted to the people by initiative petition that is approved by the voters at the same election.

Section 6. Severability. It is the intent of the People that the provisions of this act are severable and that if any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of this act shall be given effect without the invalid provision or application.

**END OF UTAH DECIDES HEALTHCARE ACT**

Persons gathering signatures for the petition may be paid for doing so.

This initiative seeks to increase the current state sales tax rate by .15 percent, resulting in a 3.2 percent increase in the current state sales tax rate.