



Final 2026 Legislative Session Report  
Tuesday, March 10, 2026

### **Another Successful Legislative Session for Utah's Hospitals and Health Systems**

Money was tighter this legislative session than it has been in many years as a result of the federal OBBBA bill. Nevertheless, many positive things happened for Utah's hospitals and health systems this session. We appreciate the hard work of Dave Gessel, the UHA board of trustees and the many UHA members and lobbyists who all worked together to make this a positive session. We want to thank Jim Marshall who served effectively as Chair of the UHA Government Relations Committee. UHA is grateful to work with and represent so many wonderful healthcare leaders and organizations.

### **Medicaid Budget For Hospitals Improves**

Due to the forecasted tight budget, legislative leadership asked all the appropriations subcommittees to come up with 5% budget cuts at the beginning of the session. The Social Services appropriations subcommittee decided to go further and initially looked at 12.5% cuts in Medicaid and other social services programs. These proposed cuts included direct hospital cuts in Medicaid of over \$40 million in general funds. Examples of these cuts were stopping annual inflation increases, across the board cuts, site neutral payment cuts, retroactive claims cuts, readmission claims cuts and closing beds at the Utah State Hospital. UHA worked hard and was successful in stopping all these cuts. UHA also worked hard in helping to stop other cuts to mental health services and other areas. UHA appreciates Senator Stratton and Representative Ward, the subcommittee co-chairs for their help in stopping these damaging cuts.

Bottom line, the Medicaid consensus amount of \$27 million new Medicaid funding in state general funds was funded and hospitals took no direct cuts in Medicaid.

### **Huge Win on Additional Direct Funding for Hospitals**

**S.B. 305 – Hospital Quality Amendments** successfully passed. This legislation will allow the hospital assessment to be increased and will potentially bring in an additional \$100 million annually to Utah hospitals if quality measures are met as agreed to by CMS, Utah Medicaid, Utah hospitals and the Medicaid ACO's. This is one of the few areas left by the federal government to use to improve quality and reimbursement after the passage of OBBBA. Many thanks to Senator Vickers and Representative Eliason for sponsoring this crucial legislation. Also, a special thanks to Speaker Mike Schultz, who in a very rare move, came off the House Dias to speak forcefully in support of this bill.



### **Medicaid Legislation of Note**

There were several bills dealing with Medicaid this year. [H.B. 599 – Medicaid Amendments](#) passed and changes a number of Medicaid policies. Most important, this bill finalizes the move of all children to traditional Medicaid and effectively ends the 30-year-old CHIP program that has helped many children over the years. Children currently on CHIP will move to Medicaid. [S.B. 288 – Medicaid Provider Amendments](#) sets up a quality incentive process for various Medicaid providers to receive additional funding if those requirements are met. The bill mainly focuses on ancillary providers that have not received any Medicaid reimbursement increases for many years. [S.B. 160 – Medicaid Reimbursement Amendments](#) also passed and provides some additional reimbursement for a limited number of Medicaid providers. [H.B. 566 – Healthcare Transparency Amendments](#) passed and will require additional transparency on Medicaid funding through the ACO's and the Utah Department of Health and Human Services. Finally, [H.B. 471 – Social Services Amendments](#) sets up the process for how the state meets the federal requirements for the Medicaid work requirement that will take effect in the next year.

### **Mental Health Funding and Legislation**

The large increases in mental health funding that have occurred over the past few years were generally maintained but were not added upon in this tight budget year. Serious funding cuts to the Utah State Hospital and to state funding for County mental health funding were proposed but UHA worked with others to stop these reductions. [H.B. 100 – Electroconvulsive Therapy Prohibition](#) was strongly opposed by UHA and did not pass. It would have stopped the use of this procedure for anyone under the age of 25. [H.B. 552 – Behavioral Health Amendments](#) did not pass either. This bill would have provided significant new mental health funding but was not prioritized for funding by the legislature this year.

However, several bills impacting mental health directly did pass. [H.B. 207 – Competency Amendments](#) passed and amended the law in dealing with involuntary commitments. [H.B. 572 – Justice Involved Mental Health Amendments](#) did pass and takes important steps to improve mental health treatment by eliminating barriers and improving communications between law enforcement and mental health providers when dealing with patients.

### **340b Legislation Update**

[H.B. 356 – Drug Distribution Amendments](#) passed with strong support of UHA. This legislation clarified definitions from the 340b law that passed last year and should help in the ongoing lawsuits brought by Big Pharma against the state of Utah. This is vital legislation that can benefit all Utah hospitals that qualify for 340b funding. The Attorney General's office of the State of Utah is filing an emergency motion in the litigation soon which should help.



### **Rural Transformation Fund Update**

The Legislature has approved accepting the roughly \$196 million to Utah from the federal government under OBBBA. Approximately \$80 million of this was allocated to various Utah government agencies this legislative session. The majority will be funded through various grants that the Utah Department of Health will begin allocating after a period of application by those interested in these funds. UHA is working on behalf of our rural hospitals to make sure as much of this money as is possible will go directly to Utah's rural hospitals. **H.B. 342 – Federal Grant Process Amendments** passed and sets up a legislative oversight process for the rural transformation funds. This bill establishes a legislative oversight committee that must approve these funds, and they can also make recommendations to the Executive Appropriations Committee as to how to allocate these funds. In addition, full legislative approval must happen before the funds are allocated. This will make it so that the Legislature is very involved in how these funds are spent and not just be determined by the executive branch agencies.

### **Medical Malpractice Legislation**

**S.B. 24 – Healthcare Provider Immunity** passed as it was amended into S.B. 12. This legislation extends an important protection for emergency room physicians and hospitals for another ten years. This protection requires courts to use a higher legal standard in emergency room medical malpractice cases. **S.J.R. 6 – Court Rules Resolution on Medical Malpractice** passed and changes the current court rules to allow parties to essentially have separate trials on liability and damages. In other words, if a party requests, the first trial will just be on liability and damages will be discussed later only if liability is proven. Two other bills dealing with medical malpractice issues did not pass. **S.B. 211 – Tort Amendments** did not pass and also **S.B. 280 – Damages Amendments**.

### **Health Care Bills Passed Directly Impacting Hospitals**

There were several bills passed that directly impact Utah's hospitals. For some reason there were a lot of "mandate" bills on Utah's hospitals this session in a variety of operational areas. UHA stopped a number of these and amended most of the rest. However, hospitals need to be aware of the following bills that passed as they will impact hospital policies and operations. Most of these bills were much more restrictive towards hospitals when first drafted but UHA along with other hospital lobbyists were able to generally amend out the worst provisions in these bills. Most of the bills that passed are already being implemented by the majority of hospitals but the Legislature wanted consistency across all hospitals. **H.B. 380 – Hospital Worker Violence Reporting** passed and does two things. This bill reauthorizes five more years of the current law protecting healthcare workers from violence. It also adds a new annual requirement for hospitals to report on instances of violence against their workers and that reporting will be based on a new rule promulgated by the Utah Department of Health and Human Services.



**H.B. 559 – Pregnancy and Infant Loss Amendments** passed and requires the Department of Health and Human Services to promulgate a rule for each hospital’s policies when dealing with the loss of an infant during and after pregnancy. **H.B. 417 – Interfacility Transportation Amendments** passed and requires a hospital under certain circumstances to allow a patient to self-transport to another receiving hospital and the receiving hospital will need to hold a bed for up to 4 hours during this process and also not charge for similar activity performed by the original hospital. **H.B. 117 – Organ Donation** requires hospitals to discuss organ donation when discharging patients. **S.B. 127 – Pediatric Care Amendments** requires each hospital to have a designated pediatric care coordinator in the emergency room. It does not require a new employee as a current physician or other provider can fill this role. **H.B. 97 – Medical Waste Amendments** was amended by UHA. It allows, but does not require, hospitals to offer a handful of unused prescription drugs to be given to patients to use after discharge. **S.B. 270 – Healthcare Non -Competes** passed and essentially ends the use of non-compete clauses in employment contracts for most licensed healthcare providers. Current contracts are still valid but as of May 6, 2026, new contracts cannot have non-compete clauses but can have other contract language that protects health facilities for costs incurred for recruitment and other agreed upon language that can be used to ensure completion of the contract between the parties involved. The next two bills could be quite problematic for hospitals and UHA encourages hospitals to consult their legal counsel and other experts to comply with these two new laws. **H.B. 259 – Parents Access To Children’s Medical Records** passed and requires hospitals to share children’s medical records with parents in a timely manner or face severe fines. **S.B. 174 – Exercise of Religious Beliefs and Conscience Amendments** allows healthcare providers to not participate in certain medical procedures and provides additional protection against discipline by their employers. Many of these rights are already protected under both federal and state laws so the intersection of this new law with existing law may be challenging for health care employers to have adequate legal policies in this area.

### **Bills That Did Not Pass Potentially Impacting Hospitals**

There were a number of bills potentially impacting hospitals that did not pass this session. **S.B. 300 – Single Payer Amendments** would have moved Utah to a government single payer health system, but this bill did not receive a hearing and failed. **S.B. 178 – Right To Work Amendments** also failed. This bill would have ended Utah right to work laws to aid labor unions. **H.B. 573 – Health Reform Amendments** failed as well. It would have set up a new health reform task force to look at changing healthcare in Utah. **H.B. 156 – Blood Donation Amendments** the so called “bring your own blood” bill did not pass for the second year as it was voted down in the Senate Health Committee. It would have required under certain circumstances for patients to bring their own blood to be used in hospital procedures. **H.B. 458 – Preterm Birth Amendments** also did not pass. This bill would have required physicians and hospitals to adopt new policies dealing with babies born



prior to 22 weeks. **H.B. 203 – Non-Compete Amendments** did not pass. It would have impacted all industries and would have ended all non-competes except for higher paid workers. **H.B. 480 – Medical Records Amendments** also did not pass. This bill would have required hospitals to change the language they use in medical records on fetal deaths. Finally, **H.B. 29 – Unfair and Deceptive Practices** did not pass.

### **Other Health Care Bills That Passed**

There were a number of other healthcare bills that passed to be aware of. A number of bills impacting scope of practice for pharmacists, physician assistants, physical therapists and other licensed providers were debated and a number of these bills passed. In addition, **S.B. 50 – Anesthesia Dosage** passed and that bill requires health insurers to not limit the amount of anesthesia used they will pay for. **H.B. 71 Health Plan Provider Directory** also passed and requires more up to date provider directories for patients to be able to use for their care. This is likely to be particularly helpful for those needing mental health providers. Finally, **S.B. 319 – Health Insurance Preauthorization Amendments** passed and should improve the preauthorization process for medical procedures.

### **Interim Study Items**

It is clear from this session that there continues to be legislative concern with healthcare cost and quality. One interim study item is likely to be site neutral payments for Medicaid. There is also likely to be on-going scrutiny of Medicaid payments to providers and potentially increased audits dealing with Medicaid funding. Also, a number of bills that didn't pass this session will likely continue to be discussed during interim this year.

### **UTAH HOSPAC Golf Tournament in June!**

One of the best ways to support **UTAH HOSPAC**, our political action committee, is our 26th annual golf tournament that will be held once again at Thanksgiving Point on Monday, June 8, 2026. We encourage each hospital to provide a foursome at the tournament as that goes a long way for most hospitals in meeting their annual HOSPAC goal. Look for additional information soon on the golf tournament as well as other opportunities to contribute to **UTAH HOSPAC**. You can go to the [UHA website](#) to register your team soon.

### **UHA is Here to Help and Serve**

UHA is here to help you with any of your legislative questions or concerns. Please review the attached list of bills for additional information. If you need even more bill or legislative information you can go to the legislative website at <https://le.utah.gov> where you can read the legislation that passed this session. If you have specific questions or concerns, please e-mail Dave Gessel at [dave@utahhospitals.org](mailto:dave@utahhospitals.org) and he would be happy to help you. He and Francis Gibson would also be happy to come and brief your board or staff on the legislative session and the importance of engaging in the political process. Thank you for your support of UHA and Utah's hospitals and health systems.