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State/Territory Name: Utah

State Plan Amendment (SPA) #: UT-09-004

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850
Center for Medicaid and State Operations, CMSO



SEP 24 2009

Mr. Michael T. Hales, Director
Division of Health Care Financing
Utah Department of Health
P.O. Box 143101
Salt Lake City, UT 84114-3101

Re: Utah 09-004

Dear Mr. Hales:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 09-004. Effective for services on or after July 1, 2009, this amendment incorporates changes to the Quality Improvement (QI) Incentive methodology utilized for Nursing Facilities (NFs) and Intermediate Care Facilities for the Mentally Retarded (ICF/MRs).

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 09-004 is approved effective July 1, 2009. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,

Cindy Mann
Director

Center for Medicaid and State Operations

cc: Craig Devashrayee, UT DOH

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:
09-004-UT

2. STATE:
UTAH

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTHCARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2009

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

Section 1903(w) of the Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2009 \$0
b. FFY 2010 \$0

BeB

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Section 927 of Attachment 4.19-D, Includes New Page
Section 928 of Attachment 4.19-D
Section 1195 of Attachment 4.19-D

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*)

Section 927 of Attachment 4.19-D
Section 928 of Attachment 4.19-D
Section 1195 of Attachment 4.19-D

10. SUBJECT OF AMENDMENT:
Nursing Facility Payments

11. GOVERNOR'S REVIEW (*Check One*):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

David N. Sundwall, MD

14. TITLE:

Executive Director, Utah Department of Health

15. DATE SUBMITTED:

June 30, 2009

16. RETURN TO:

Craig Devashrayee, Manager
Technical Writing Unit
Utah Department of Health
PO Box 143102
Salt Lake City, UT 84114-3102

17. DATE RECEIVED

18. DATE APPROVED

9-24-09

FOR REGIONAL USE ONLY

19. EFFECTIVE DATE OF APPROVED MATERIAL

JUL - 1 2009

21. TYPED NAME:

22. TITLE:

Deputy Director, CMSO

PLAN APPROVED - ONE COPY ATTACHED

23. REMARKS

900 RATE SETTING FOR NFs (Continued)

927 QUALITY IMPROVEMENT INCENTIVE

- (1) The incentive period is from July 1, 2009, through May 31, 2010.
- (2) In order for a facility to qualify for any Quality Improvement Incentive or Initiative in subsections (3) or (4):
 - (a) The application form and all supporting documentation for that Incentive or Initiative must be faxed in or mailed with a postmark during the incentive period. Failure to include all required supporting documentation precludes a facility from qualification.
 - (b) Facilities choosing to mail in applications and supporting documentation are responsible to ensure that documents are mailed to the correct address, as follows:
 Via United States Postal Service
 Utah Department of Health
 DHCF, BCRP
 Attn: Reimbursement Unit
 P.O. Box 143102
 Salt Lake City, UT 84114-3102
 Via United Parcel Service or Federal Express
 Utah Department of Health
 DHCF, BCRP
 Attn: Reimbursement Unit
 288 North 1460 West
 Salt Lake City, UT 84116-3231
 - (c) The facility must clearly mark and organize all supporting documentation to facilitate review by Department staff.
- (3)
 - (a) Upon federal approval of the Nursing Care Facilities State Plan Amendment for the quality program outlined in this subsection (3), funds in the amount of \$1,000,000 shall be set aside from the base rate budget annually to reimburse non-ICF/MR facilities that have:
 - (i) A meaningful quality improvement plan which includes the involvement of residents and family;
 - (ii) A demonstrated process of assessing and measuring that plan;
 - (iii) customer satisfaction surveys conducted by an independent third-party in each quarter of the incentive period, along with an action plan addressing survey items rated below average for the year;
 - (iv) A plan for culture change along with an example of how the facility has implemented culture change;
 - (v) An employee satisfaction program;
 - (vi) No violations that are at an "immediate jeopardy" level, as determined by the Department, at the most recent re-certification survey and during the incentive period;
 - (vii) A facility that receives a substandard quality of care level F, H, I, J, K, or L during the incentive period is eligible for only 50% of the possible reimbursement. A facility receiving substandard quality of care level F, H, I, J, K, or L in more than one survey during the incentive period is ineligible for reimbursement under this incentive.
 - (b) The Department shall distribute incentive payments to qualifying facilities based on the proportionate share of the total Medicaid patient days in qualifying facilities.
 - (c) If a facility seeks administrative review of the determination of a survey violation, the incentive payment will be withheld pending the final administrative adjudication. If violations are found not to have occurred, the incentive payment will be paid to the facility. If the survey findings are upheld, the remaining incentive payments will be distributed to all qualifying facilities.

T.N. # 09-004Approval Date SEP 24 2009Supersedes T.N. # 08-007Effective Date 7-1-09

900 RATE SETTING FOR NFs (Continued)

- (A) To qualify, a facility must, at a minimum, purchase one new side-entry bathing system that allows the resident to enter the bathing system without having to step over or be lifted into the bathing area.
- (iv) Incentive for facilities to purchase or enhance patient life enhancing devices. Qualifying Medicaid providers may receive \$495 for each Medicaid certified bed. Patient life enhancing devices must be one or more of the following:
 - (A) Telecommunication enhancements primarily for patient use. This may include land lines, wireless telephones, voice mail and push to talk devices. Overhead paging, if any, must be reduced.
 - (B) Wander management systems and patient security enhancement devices.
 - (C) Computers and game consoles for patient use.
 - (D) Garden enhancements.
 - (E) Furniture enhancements for patients.
- (v) Incentive for facilities to educate staff on quality. Qualifying Medicaid providers may receive \$110 for each Medicaid certified bed. The education or training must:
 - (A) Be by an industry recognized organization, and
 - (B) Have a patient centered perspective focused on improving quality of life or care for patients.
- (vi) Incentive for facilities to purchase, or make improvements to, vans and van equipment for patient use. Qualifying Medicaid providers may receive \$320 for each Medicaid certified bed.
- (vii) Incentive for facilities to:
 - (A) Purchase or lease new or enhance existing clinical information systems software, which incorporates advanced technology into improved patient care including better integration, capture of more information at the point of care, more automated reminders etc. Qualifying Medicaid providers may receive \$109 for each Medicaid certified bed. The following clinical tracking minimum requirements must all be included in the software:
 - (I) Care Plans;
 - (II) Current conditions;
 - (III) Medical orders;
 - (IV) Activities of Daily Living;
 - (V) Medication Administration Records;
 - (VI) Timing of medications;
 - (VII) Medical notes; and
 - (VIII) Point of care data tracking.
 - (B) Purchase or lease new or enhance existing clinical information systems hardware. Qualifying Medicaid providers may receive \$90 for each Medicaid certified bed. The hardware must facilitate the tracking of patient care and integrate the collection of data into clinical information systems software that meets all the tracking criteria in section (vii)(A) above.
- (viii) Incentive for facilities to purchase a new or enhance its existing heating, ventilating, and air conditioning system (HVAC). Qualifying Medicaid providers may receive \$162 for each Medicaid certified bed.
- (ix) Incentive for facilities to use innovative means to improve the residents' dining experience. These changes may include meal ordering, dining times or hours, atmosphere, more food choices, etc. Qualifying Medicaid providers may receive \$111 for each Medicaid certified bed.
- (A) A facility, with its application, must submit a detailed description of the changes along with supporting documentation and proof of costs incurred.
- (B) Costs under this initiative are limited to incremental costs resulting from the dining program changes.

T.N. # 09-004Approval Date SEP 24 2009Supersedes T.N. # NewEffective Date 7-1-09

900 RATE SETTING FOR NFs (Continued)

- (4) Upon federal approval of the Nursing Care Facilities State Plan Amendment for the quality program outlined in this subsection (4) and in addition to the above incentive, funds in the amount of \$4,275,900 shall be set aside from the base rate budget in state fiscal year 2010 for use in state fiscal year 2010.
- (a) Qualifying Medicaid providers may receive \$590.43 total, across all initiatives in this subsection (4), for each Medicaid certified bed. The Medicaid certified bed count used for each facility for this incentive and for each initiative in this incentive is the count in the facility as at the beginning of the incentive period.
- (b) A facility may not receive more for any initiative than its documented costs for that initiative.
- (c) In order to qualify for any of the quality improvement initiatives in subsection (4)(d):
- (i) Each item purchased under initiatives (i) to (iii) must be purchased by the end of the incentive period, and installed during the incentive period. Each item purchased under initiatives (iv) to (ix) must be purchased by the end of the incentive period, and installed between July 1, 2008, and May 31, 2010.
- (ii) A facility, with its application, must submit a detailed description of the functionality of each item purchased, attesting to its meeting all of the criteria for that initiative.
- (iii) A facility, with its application, must submit detailed documentation supporting all purchase, installation and training costs for the initiative. This documentation must include invoices and proof of purchase (i.e. copies of cancelled checks, credit card slips, etc.).
- (iv) A facility must clearly mark and organize all supporting documentation to facilitate review by Department staff.
- (d) Each Medicaid provider may apply for the following quality improvement initiatives:
- (i) Incentive for facilities to purchase or enhance nurse call systems. Qualifying Medicaid providers may receive \$391 for each Medicaid certified bed. Qualifying criteria include the following:
- (A) The nurse call system is compliant with approved "Guidelines for Design and Construction of Health Care Facilities."
- (B) The nurse call system does not primarily use overhead paging; rather a different type of paging system is used. The paging system could include pagers, cell phones, Personal Digital Assistant devices, hand-held radio, etc. If radio frequency systems are used, consideration should be given to electromagnetic compatibility between internal and external sources.
- (C) The nurse call system shall be designed so that a call activated by a resident will initiate a signal distinct from the regular staff call system and that can be turned off only at the resident's location.
- (D) The signal shall activate an annunciator panel or screen at the staff work area or other appropriate location, and either a visual signal in the corridor at the resident's door or other appropriate location, or staff pager indicating the calling resident's name and/or room location, and at other areas as defined by the functional program.
- (E) The nurse call system must be capable of tracking and reporting response times, such as the length of time from the initiation of the call to the time a nurse enters the room and answers the call.
- (ii) Incentive for facilities to purchase new patient lift systems capable of lifting patients weighing up to 400 pounds each. Qualifying Medicaid providers may receive \$45 for each Medicaid certified bed per patient lift, with a maximum of \$90 for each Medicaid certified bed.
- (iii) Incentive for facilities to purchase new patient bathing systems. Qualifying Medicaid providers may receive \$110 for each Medicaid certified bed.

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900 RATE SETTING FOR NFs (Continued)

928 URBAN / NON-URBAN LABOR DIFFERENTIAL

In developing RUGs Component payment rates, the Department will periodically adjust urban and non-urban rates to reflect differences in urban and non-urban labor costs. The urban labor cost reimbursement cannot exceed 106% of the non-urban costs.

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1100 ICF/MR FACILITIES (Continued)

1195 QUALITY IMPROVEMENT INCENTIVE

- (1) The incentive period is from July 1, 2009, through May 31, 2010.
- (2)
 - (a) The Department shall set aside \$200,000 annually from the base rate budget for incentives to facilities. In order for a facility to qualify for an incentive:
 - (i) The application form and all supporting documentation for this incentive must be faxed in or mailed with a postmark during the incentive period. Failure to include all required supporting documentation precludes a facility from qualification.
 - (ii) Facilities choosing to mail in applications and supporting documentation are in addition responsible to ensure that documents are mailed to the correct address, as follows:
Via United States Postal Service
Utah Department of Health
DHCF, BCRP
Attn: Reimbursement Unit
P.O. Box 143102
Salt Lake City, UT 84114-3102
Via United Parcel Service or Federal Express
Utah Department of Health
DHCF, BCRP
Attn: Reimbursement Unit
288 North 1460 West
Salt Lake City, UT 84116-3231
 - (iii) The facility must clearly mark and organize all supporting documentation to facilitate review by Department staff.
 - (b) In order to qualify for an incentive, a facility must have:
 - (i) A meaningful quality improvement plan which includes the involvement of residents and family;
 - (ii) A demonstrated means to measure that plan;
 - (iii) Customer satisfaction surveys conducted by an independent third-party in each quarter of the incentive period;
 - (iv) An employee satisfaction program; and
 - (v) No violations, as determined by the Department, that are at an "immediate jeopardy" level at the most recent re-certification survey and during the incentive period.
 - (c) The Department shall distribute incentive payments to qualifying facilities based on the proportionate share of the total Medicaid patient days in qualifying facilities.
 - (d) If a facility seeks administrative review of a survey violation, the incentive payment will be withheld pending the final administrative determination. If violations are found not to have occurred at a severity level of immediate jeopardy or higher, the incentive payment will be paid to the facility. If the survey findings are upheld, the Department shall distribute the remaining incentive payments to all qualifying facilities.

T.N. # 09-004Approval Date SEP 24 2009Supersedes T.N. # 08-007Effective Date 7-1-09