
Table of Contents

State/Territory Name: Utah

State Plan Amendment (SPA) #: UT-10-004

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 , CHIP, and Survey & Certification

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

JUN 25 2010

Re: Utah 10-004


Dear Mr. Hales:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 10-004. Effective for services on or after February 1, 2010, this amendment updates the direct graduate medical education reimbursement methodology; removes language provided for indirect medical education payments; and, creates a new reimbursement methodology for supplemental State teaching hospital payments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 10-004 is approved effective February 1, 2010. We are enclosing the CMS-179 and the amended plan pages.

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

Sincerely,


Cindy Mann
Director, CMCS

cc: Craig Devashrayee, UT DOH

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

- | | |
|--|-------------------|
| 1. TRANSMITTAL NUMBER:
10-004-UT | 2. STATE:
Utah |
| 3. PROGRAM IDENTIFICATION, TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) | |
| 4. PROPOSED EFFECTIVE DATE
February 1, 2010 | |

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

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:

42 CFR 447.272

7. FEDERAL BUDGET IMPACT:

- a. FFY 2010 \$0
b. FFY 2011 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Pages 17 and 17a of Attachment 4.19-A
Page 17b of Attachment 4.19-A

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Pages 17 and 17a of Attachment 4.19-A

10. SUBJECT OF AMENDMENT:

Medical Education and Supplemental State Teaching Hospital 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:

March 31, 2010

16.

17. DATE RECEIVED:

16. RETURN TO:

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

18. DATE APPROVED:

6-25-10

FOR REGIONAL USE ONLY

19. EFFECTIVE DATE OF APPROVED MATERIAL

FEB - 1 2010

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

Deputy Director, CMCS

3. REMARKS

PLAN APPROVED - ONE COPY ATTACHED

INPATIENT HOSPITAL
Section 700 Health Profession Education

701 General – Utah Department of Health shall support the education of health professionals through the use of Medicaid funds to make direct graduate medical education payments (DGME). All hospitals eligible for DGME payments will be identified through the use of Medicare 2552 cost reports. Specifically, worksheets E and S will be utilized to identify the participating facilities. Eligible hospitals are identified by reviewing the most currently available hospital cost reports. Hospitals that answer "Y" to questions 25 and 25.01 on worksheet S-2, and that report a weighted current year count of interns and residents on worksheet E-3, part IV, line 3.09 (or that report comparable data if the cost report worksheets are revised), are eligible to receive payments.

702 Payment Pool – The annual DGME payment pool will be determined for each state fiscal year (SFY) and will be finalized prior to making any payments for the SFY. The payment amount for SFY 2010 will be \$27,058,708. The payment amount for SFY 2011 will be \$6,390,420. The payment amount for SFY 2012 will be \$28,292,400, which amount will be adjusted annually commencing with SFY 2013 by the consumer price index available at the time of calculation for "Hospital Services" as published in Table 26 of the CPI Detailed Report published by the U.S. Department of Labor, U.S. Bureau of Labor Statistics. If such CPI adjustment is negative in any year, the payment pool shall equal the amount from the prior year. DGME payments will be made to qualifying hospitals for fee-for-service (FFS) days, subject to the applicable UPL.

DGME payments will be distributed quarterly, typically at the beginning of each quarter, in accordance with the calculated quarterly distribution amounts.

703 Payment Pool Distribution – The FFS payment pool is distributed based upon allocation percentages for each eligible hospital. Allocation percentages are developed using prior calendar year FFS patient days, as reported to the Medicaid agency by the Utah Medical Education Council (UMEC) as noted in Section 704, weighted by the number of full time equivalent interns and residents (I&R), as demonstrated in the table example below. In no case shall total payments allocated exceed the annual DGME payment pool set for the SFY in accordance with Section 702.

(a) Hospital	(b) I&R FTEs	(c) FFS Days	(d) FTE Days (b * c)	(e) Percentage	(f) Total Amt
A	284	43,437	12,340,017	81.33%	\$22,039,384.44
B	89	17,691	1,583,097	10.43%	\$2,827,425.49
C	1	8,603	10,418	0.07%	\$18,607.06
D	66	18,682	1,239,962	8.17%	\$2,214,583.01
Totals	441	88,413	15,173,494	100%	\$27,100,000.00

T.N. # 10-004

Approval Date JUN 25 2010

Supersedes T.N. # 02-014

Effective Date 2-1-10

INPATIENT HOSPITAL
Section 700 Health Profession Education

704 Weighted FTE – The Utah Medical Education Council (UMEC) will determine annually the prior calendar year patient days and the I&R FTEs as reported by each participating hospital for purposes of distributing the DGME pool under Section 703.

705 Upper Payment Limit – The aggregate FFS Medicaid hospital payments, including the DGME payments covered in this section, will not exceed the amount that would be paid for the services furnished under Medicare payment principles in compliance with the 42 CFR 447.272 upper payment limit regulations for each category of hospitals.

T.N. # 10-004

Approval Date JUN 25 2010

Supersedes T.N. # 02-014

Effective Date 2-1-10

INPATIENT HOSPITAL
Section 800 State Teaching Hospital Supplemental Payment

800 State Teaching Hospital Payments – Effective for State Fiscal Year (SFY) 2010, state-owned or operated teaching hospitals shall be eligible for a State Teaching Hospital Payment. The amount of the payment shall equal the difference between the upper payment limit (UPL) described in 42 CFR 447.272 and other FFS payments (including DGME payments) made to such hospitals for inpatient services.

During each SFY, the State will make quarterly State Teaching Hospital Payment installments based on 90% of the projected gap of the UPL based on the most recently filed cost report data and total projected current year inpatient hospital services payments. The State will submit the projected UPL to CMS prior to making quarterly payments. After the end of the state fiscal year and once the Medicare cost report for the year is filed, the State will calculate a final UPL based on actual discharge and payment data and make a reconciliation payment or recoupment as appropriate to ensure that total payments equal, but do not exceed, the current year UPL. The State will submit the actual UPL calculation to CMS in conjunction with the reconciliation payment. Only data that relates to FFS inpatient hospital services will be used for purposes of the projected or actual UPL demonstration (the UPL demonstration will include FFS discharges for patients enrolled in any prepaid ambulatory health plan).

801 Upper Payment Limit – The aggregate FFS Medicaid hospital payments, DGME payments and teaching hospital payments covered in this section, will not exceed the amount that would be paid for the services furnished under Medicare payment principles in compliance with the 42 CFR 447.272 upper payment limit regulations for each category of hospitals.

T.N. # 10-004

Approval Date JUN 25 2010

Supersedes T.N. # New

Effective Date 2-1-10