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State/Territory Name: Utah

State Plan Amendment (SPA) #: UT-11-007

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

JUL 2 2 2011

Re: Utah 11-007


Dear Mr. Hales:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-007. Effective for services on or after July 1, 2011, this amendment updates the Direct Graduate Medical Education (DGME) payment pool for State Fiscal Year 2012. In addition, the amendment modifies the supplemental State Teaching Hospital Payment calculation.

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 11-007 is approved effective July 1, 2011. 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

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTHCARE FINANCING ADMINISTRATIONFORM APPROVED
OMB NO. 0938-0193**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
OR: HEALTH CARE FINANCING ADMINISTRATION**1. TRANSMITTAL NUMBER:
11-007-UT2. STATE:
Utah3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTHCARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE
July 1, 2011

I. 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)

5. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.272

7. FEDERAL BUDGET IMPACT:

a. FFY 2011 \$0
b. FFY 2012 \$0

6. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Pages 17 and 17b of Attachment 4.19-B/A *CBS Rev 7/19/11*9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)Pages 17 and 17b of Attachment 4.19-B/A *CBS Rev 7/19/11*

10. SUBJECT OF AMENDMENT:

Medical Education and Supplemental State Teaching Hospital Payments

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

14. TITLE:

15. DATE SUBMITTED:

June 30, 2011

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:

JUL 22 2011

FOR REGIONAL USE ONLY

9. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL - 1 2011

10. SIGNATURE OF REGIONAL OFFICIAL:

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 2012 will be \$6,336,524, 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. # 11-007

Approval Date JUL 22 2011

Supersedes T.N. # 10-004

Effective Date 7-1-11

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 Payments based on the projected gap of the UPL, adjusted for inflation and utilization trends, 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. 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).

The base year utilized to determine each Medicaid upper payment limit shall be trended to the applicable spending year as follows:

- Inflation trend shall be calculated using the consumer price index available at the time of calculation for "Inpatient Hospital Services" as published in Table 5A of the Consumer Price Index Detailed Report Tables Annual Averages published by the U.S. Department of Labor, U.S. Bureau of Labor Statistics.
- Utilization trend shall be calculated using historical Utah Medicaid inpatient hospital services data.

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. # 11-007

Approval Date JUL 22 2011

Supersedes T.N. # 10-004

Effective Date 7-1-11