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## **Table of Contents**

**State/Territory Name: Utah**

**State Plan Amendment (SPA) #: UT-13-007**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 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



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DEC 13 2013

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

Re: Utah 13-007

Dear Mr. Hales:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 13-007. Effective for services on or after February 1, 2013, this amendment modifies the reimbursement methodology to provide for a supplemental payment for non-State government owned nursing facilities.

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 (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 13-007 is approved effective February 1, 2013. The CMS-179 and the amended plan pages are attached.

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

Sincerely,

A large black rectangular redaction box covers the signature area of the letter.

Cindy Mann  
Director

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

1. TRANSMITTAL NUMBER:  
13-007-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  
February 1, 2013

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:  
  
42 CFR 447.272

7. FEDERAL BUDGET IMPACT:  
a. FFY 2013 \$+399,000  
b. FFY 2014 \$+435,600 *RB*

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
  
Section 942 of ATTACHMENT 4.19-B

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

10. SUBJECT OF AMENDMENT:  
Supplemental Payments to Participating Non-State Government-Owned Nursing Facilities

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:

16. RETURN TO:

13. TYPED NAME: W. David Patton, Ph.D.

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

14. TITLE: Executive Director, Utah Department of Health

15. DATE SUBMITTED: March 22, 2013

16.

17. DATE RECEIVED:

18. DATE APPROVED:

DEC 13 2013

19. EFFECTIVE DATE OF APPROVED MATERIAL:

FEB 01 2013

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

FOR REGIONAL USE ONLY  
PLAN APPROVED - ONE COPY ATTACHED

23. REMARKS

## 900 RATE SETTING FOR NFs (CONTINUED)

**942 SUPPLEMENTAL PAYMENTS TO PARTICIPATING NON-STATE GOVERNMENT OWNED (NSGO) NURSING FACILITIES**

In addition to the uniform Medicaid rates for nursing facilities, any nursing facility that is owned by a non-state governmental entity and has an agreement with the Division of Medicaid and Health Financing ("Division") to participate in the supplemental payment program shall receive a supplemental payment, which shall not exceed its upper payment limit pursuant to 42 CFR 447.272.

UPL Calculation Overview

The Division shall calculate a supplemental payment amount for all non-state governmental nursing facilities that will not exceed the aggregate upper payment limit found at 42 CFR 447.272. For purposes of calculating the Medicaid nursing facility upper payment limits for non-State government owned nursing facilities, the state shall utilize nursing facility specific Medicare RUG rates calculated using the MDS RUG data. The Medicaid upper payment limits for non-state government owned nursing facilities are independently calculated. Each Medicaid upper payment limit shall be offset by nursing facility Medicaid and other third party nursing facility payments to determine the available spending room (i.e., the gap) applicable to each Medicaid upper payment limit.

Following is the data used to calculate the UPL for each payment period:

- MDS (Minimum Data Set) from the previously completed state fiscal year
- Medicare Rate Comparison from the Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities
- Medicaid revenue – Paid nursing facility claims, including third party payment amounts, client contribution to care, Medicaid payments, and quality incentives from a previously completed state fiscal year as determined by the Division

The facility-specific NSGO UPL per diem gap shall be calculated by subtracting the Medicaid weighted average per diem from the weighted average Medicare per diem the Division reasonably estimates would have been paid using Medicare payment principles. The data for the per diem gap calculation will come from the previously completed state fiscal year.

The Medicaid rate shall be adjusted to account for program differences in services between Medicaid and Medicare. A Medicaid inflation trend shall be determined based on the legislative appropriation adjustments as per Section 900 of this attachment. The appropriate trend, if any, used in the calculation shall be determined by the agency. The difference between the annual estimated Medicare per diem rate and the adjusted annual Medicaid per diem rate is the per diem rate UPL gap.

The facility-specific NSGO UPL per diem gap for facilities that were not Medicaid certified during the period of the UPL calculation shall be the weighted average per diem gap for the NSGO grouping.

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T.N. # 13-007

Approval Date DEC 13 2013

Supersedes T.N. # New

Effective Date 2/1/13

## 900 RATE SETTING FOR NFs (CONTINUED)

Supplemental Payment Amount

The payments will be distributed to each NSGO nursing facility based on the following example:

NF	Daily Rate UPL Gap	Period of Interest Paid Days	State Fiscal Quarter UPL Gap	Amount If UPL > 0	Amount If UPL > 0 percent of Total	UPL Gap Allocation
A	(\$5.00)	100	(\$500.00)	\$0.00	0.00%	\$0.00
B	\$80.00	200	\$16,000.00	\$16,000.00	21.62%	\$15,891.89
C	\$120.00	300	\$36,000.00	\$36,000.00	48.65%	\$35,756.76
D	\$55.00	400	\$22,000.00	\$22,000.00	29.73%	\$21,851.35
<b>Totals</b>		<b>1,000</b>	<b>\$73,500.00</b>	<b>\$74,000.00</b>	<b>100%</b>	<b>\$73,500.00</b>

Supplemental Payment Frequency

Payments will be distributed in the form of supplemental Medicaid payments to each qualifying nursing facility that is owned by a non-state governmental entity. The state shall distribute the payment to the nursing homes for each quarter.

Payments for newly approved facilities will not include service dates prior to the Division approved effective date.

T.N. # 13-007Approval Date DEC 13 2013Supersedes T.N. # NewEffective Date 2/1/13