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State/Territory Name: Utah

State Plan Amendment (SPA) UT: 22-0009

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

August 10, 2022

Jennifer Strohecker
Medicaid Director
Utah Department of Health
P.O. Box 143102
Salt Lake City, UT 84114-3102

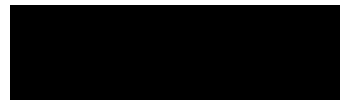
RE: Utah TN: 22-0009

Dear Ms. Strohecker:

We have reviewed the proposed Utah State Plan Amendment (SPA) to Attachment 4.19-B, UT-22-0009, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 15, 2022. The proposed amendment updates Outpatient Hospital Supplemental Payments. The amendment updates the utilization trend for the outpatient hospital upper payment limit in State Fiscal Year 2023. Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Monica Neiman at: Monica.Neiman@cms.hhs.gov or via phone at: (945) 356-1231.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 — 0 0 0 9

2. STATE

UTAH

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT



XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440.90 1905(a)(2)(A) Outpatient Hospital NIPT.

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 655,738

b. FFY 2023 \$ 2,622,952

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Page 2f of ATTACHMENT 4.19-B

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)

Page 2f of ATTACHMENT 4.19-B

Supersedes: UT-21-0007

9. SUBJECT OF AMENDMENT

Outpatient Hospital Supplemental Payments

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

12. TYPED NAME

Tracy S. Gruber

13. TITLE

Executive Director, Utah Dept of Health and Human Services

14. DATE SUBMITTED

July 15, 2022

15. RETURN TO

Craig Devashrayee
Utah Department of Health and Human Services
Division of Integrated Healthcare
cdevashrayee@utah.gov

FOR CMS USE ONLY

16. DATE RECEIVED

July 15, 2022

17. DATE APPROVED

August 10, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 01, 2022

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director Division of Reimbursement Review

22. REMARKS

Pen and Ink approved by the state to process change to box 5 to add: 1905(a)(2)(A) Outpatient Hospital NIPT.

Pen and Ink approved by the state to process change to box 8: Supersedes: UT-21-0007.

14. UPL Calculation Overview

For purposes of calculating the Medicaid outpatient hospital upper payment limits for hospitals, the state shall utilize hospital specific Medicare outpatient cost to charge ratios applied to Medicaid charges. The Medicaid upper payment limit for state hospitals and non-state government owned hospitals are independently calculated. Each Medicaid upper payment limit shall be offset by hospital Medicaid and other third party outpatient payments to determine the available spending room (i.e., the gap) applicable to each Medicaid upper payment limit. 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 an annual average calculated using the consumer price index available the December prior to the start of each state fiscal year for "Outpatient Hospital Services" as published by the U.S. Department of Labor, U.S. Bureau of Labor Statistics as compared to the previous December.
- Utilization trend shall be calculated using historical Utah Medicaid outpatient hospital services data. The utilization trend for State Fiscal Year 2023 shall be 7 percent.

Following is the data used to calculate the UPL for each state fiscal year:

Medicare Cost to Charge ratio:

- 2552-96: Costs are from Worksheet D, Part V, Columns 9, 9.01, 9.02, 9.03 line 104
- 2552-10: Costs are from Worksheet D, Part V, Columns 5, 6, and 7 line 202
- 2552-96: Charges are from Worksheet D, Part V, Columns 5, 5.01, 5.02, 5.03 line 104
- 2552-10: Charges are from Worksheet D, Part V, Columns 2, 3, 4 line 202

Note: As Medicare may amend the cost report structure from that noted above, corresponding Medicare Cost Report data will be used in place of the elements noted above.

The hospitals in the analysis have fiscal year ends during the state fiscal year Medicaid Charges and payments - Paid hospital outpatient claims from services in a recent period and as available at the time the calculation is made.

Costs for critical access hospitals shall be calculated at 101 percent of cost with any appropriate inflation and utilization added as noted above.

T.N. # 22-0009

Approval Date August 10, 2022

Supersedes T.N. # 21-0007

Effective Date 7-1-22