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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
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**

**To:** Center Director  
Centers for Medicaid & CHIP Services  
Department of Health and Human Services

**1. Transmittal Number:** 22-0009  
**2. State:** UTAH

**3. Program Identification: Title of the Social Security Act**  
O XIX  
O XXI

**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):**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$655,738</td>
</tr>
<tr>
<td>2023</td>
<td>$2,622,952</td>
</tr>
</tbody>
</table>

**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 Page Number of the Superseded Plan Section or Attachment (if Applicable):**  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):**  
O Governor's Office Reported No Comment  
O Comments of Governor's Office Enclosed  
O No Reply Received Within 45 Days of Submittal

**11. Signature of State Agency Official:**  
Craig Devashrayee  
Utah Department of Health and Human Services  
Division of Integrated Healthcare  
cdevashrayee@utah.gov

**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

**16. Date Received:**  
July 15, 2022

**17. Date Approved:**  
August 10, 2022

**18. Effective Date of Approved Material:**  
July 01, 2022

**19. Signature of Approving Official:**  
[Typed Name]

**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.