

## **Table of Contents**

**State/Territory Name: Utah**

**State Plan Amendment (SPA) #: 24-0008**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS Form 179
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

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December 12, 2024

Jennifer Strohecker  
Director  
Division of Integrated Healthcare  
Utah Department of Health and Human Services  
PO Box 143101  
Salt Lake City, UT 84114-3101

Re: Utah State Plan Amendment (SPA) 24-0008

Dear Director Strohecker:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 24-0008. This amendment proposes changes to reimbursement methods for ultra-high-cost drugs.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR §447.512. This letter informs you that Utah Medicaid SPA TN 24-0008 was approved on December 10, 2024, with an effective date of April 29, 2024.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the Utah State Plan.

If you have any questions, please contact Tyler Deines at 202-571-8533 or via email at [Tyler.Deines@cms.hhs.gov](mailto:Tyler.Deines@cms.hhs.gov).

Sincerely,

James G. Scott, Director  
Division of Program Operations

Enclosures

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 0 8

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

April 29, 2024

5. FEDERAL STATUTE/REGULATION CITATION

~~447.512~~ 42 CFR §447.512

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 0  
b. FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Page 2.5 of Attachment 4.19-A

Page 0.5 of Attachment 4.19-B

Attachment 4.19-B, Page 19b

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B, Page 19b (TN: 24-0002)

9. SUBJECT OF AMENDMENT

Ultra High-Cost Drugs Establishes separate reimbursement method for ultra high-cost drugs. The federal budget impact is unknown given the agency does not yet have claims experience.

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

12. TYPED NAME  
Executive Director

13. TITLE  
Executive Director, Utah Dept of Health & Human Services

14. DATE SUBMITTED  
June 28, 2024

15. RETURN TO

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

**FOR CMS USE ONLY**

16. DATE RECEIVED

June 28, 2024

17. DATE APPROVED

December 10, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

April 29, 2024

20. TYPED NAME OF APPROVING OFFICIAL

James G. Scott

21. TITLE OF APPROVING OFFICIAL

Director, Division of Program Operations

22. REMARKS

Boxes 5, 7, 8, & 9: State approved pen and ink changes on 11/08/2024.

INPATIENT HOSPITAL

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**ULTRA HIGH-COST DRUG SEPARATE PAYMENT**

For the purpose of this section, Ultra High-Cost Drugs are defined as any drug with an actual acquisition cost greater than or equal to \$1,000,000 per dose. The actual acquisition cost must be net of any discounts the provider may receive to offset its acquisition cost (i.e., rebates to the provider, negotiated discounts, etc.).

Beginning SFY 2024, Ultra High-Cost Drugs are reimbursed via a separate, unbundled, payment for the actual acquisition cost of the drug. This payment supersedes other reimbursement methodologies within this attachment. Charges for Ultra High-Cost Drugs should not be included in any claims submitted through normal adjudication processes.

In order for a provider to qualify for an Ultra High-Cost Drug Supplemental Payment:

- The provider must submit all required documentation as found on <https://medicaid.utah.gov/pharmacy/pharmacy-program/>,
- The provider must include an invoice showing the actual acquisition cost of the drug, net of any discounts or other offsets,
- The provider must clearly mark and organize all supporting documentation to facilitate review by department staff, and
- The provider must submit the application form and all supporting documentation via email, to [medicaidpharmacy@utah.gov](mailto:medicaidpharmacy@utah.gov), within standard timely filing deadlines.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: UTAH

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**ULTRA HIGH-COST DRUG SEPARATE PAYMENT**

For the purpose of this section, Ultra High-Cost Drugs are defined as any drug with an actual acquisition cost greater than or equal to \$1,000,000 per dose. The actual acquisition cost must be net of any discounts the provider may receive to offset its acquisition cost (i.e., rebates to the provider, negotiated discounts, etc.).

Beginning SFY 2024, Ultra High-Cost Drugs are reimbursed via a separate, unbundled, payment for the actual acquisition cost of the drug. This payment supersedes other reimbursement methodologies within this attachment. Charges for Ultra High-Cost Drugs should not be included in any claims submitted through normal adjudication processes.

Payment for Ultra High-Cost Drugs purchased through the 340B program will be the lesser of the 340B acquisition cost or the billed charges. The billed charges should be reduced to account for any additional discounts that may be received or eligible to receive.

In order for a provider to qualify for an Ultra High-Cost Drug Supplemental Payment:

- The provider must submit all required documentation as found on <https://medicaid.utah.gov/pharmacy/pharmacy-program/>,
- The provider must include an invoice showing the actual acquisition cost of the drug, net of any discounts or other offsets,
- The provider must clearly mark and organize all supporting documentation to facilitate review by department staff, and
- The provider must submit the application form and all supporting documentation via email, to [medicaidpharmacy@utah.gov](mailto:medicaidpharmacy@utah.gov), within standard timely filing deadlines.

S. PRESCRIBED DRUGS (Continued)

Covered Outpatient Drugs Not Dispensed by a Retail Community Pharmacy

Covered outpatient drugs not dispensed by a retail community pharmacy are reimbursed in the same manner as other covered outpatient drugs in accordance with the reimbursement rules of this section.

Provider-Administered Drugs

Covered provider-administered drugs will be reimbursed according to the Average Sales Price (ASP) Drug Pricing File, published quarterly by the Centers for Medicare and Medicaid Services (CMS), for drugs that have an ASP price set by CMS.

Covered provider-administered drugs for which CMS does not publish an ASP price will be reimbursed in accordance with the Utah Medicaid fee schedule published on Utah's Medicaid Coverage and Reimbursement Code Look-up Tool.

For Ultra High-Cost Drug reimbursement, defined as any drug with an actual acquisition cost greater than or equal to \$1,000,000 per dose, see Attachment 4.19-B, Page 0.5 and Attachment 4.19-A, Page 2.5.

Investigational Drugs

Investigational drugs are not covered by Utah Medicaid.