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State/Territory Name: Utah

State Plan Amendment (SPA) #: 24-0019

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

November 12, 2024

Jennifer Strohecker
Director
Division of Health Care Financing
Utah Department of Health
P.O. Box 143101
Salt Lake City, Utah 94114-3101

Re: Utah 24-0019

Dear Jennifer Strohecker:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Utah state plan amendment (SPA) to Attachment 4.19-D, UT 24-0019, which was submitted to CMS on September 13, 2024. Effective for dates of services on or after July 1, 2024, this amendment updates the reimbursement methodology for quality improvement incentive (QII) payments made to qualifying nursing facilities (NF) and intermediate care for individuals with intellectual disabilities (ICF/IID). Specifically, the amendment updates and clarifies requirements on applications submitted by facilities that choose to participate in the various QII programs.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Christine Storey at Christine.storey@cms.hhs.gov.

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 1 9

2. STATE

UTAH3. 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, 2024

5. FEDERAL STATUTE/REGULATION CITATION

Section 1902(a)(30)(A) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

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

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Pages 24, 36, 37, and 38 of ATTACHMENT 4.19-D8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)Pages 24, 36, 37, and 38 of ATTACHMENT 4.19-D

9. SUBJECT OF AMENDMENT

Quality Improvement Incentives

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

Tracy S. Gruber

13. TITLE

Executive Director, Utah Dept of Health & Human Services

14. DATE SUBMITTED

September 13, 2024

15. RETURN TO

Craig Devashrayee

Utah Department of Health & Human Services

Division of Integrated Healthcare

cdevashrayee@utah.gov

FOR CMS USE ONLY16. DATE RECEIVED September 13, 2024

17. DATE APPROVED

November 12, 2024**PLAN APPROVED - ONE COPY ATTACHED**18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial
Management Group (FMG)

22. REMARKS

900 RATE SETTING FOR NFs (Continued)

927 QUALITY IMPROVEMENT INCENTIVE

In order for a facility to qualify for any Quality Improvement Incentive or Initiative in Subsections (1) or (2) or (3):

- The facility must:
 - submit all required documentation;
 - clearly mark and organize all supporting documentation to facilitate review by Department staff;
 - submit one application per email with one PDF attachment as follows:
 - Page 1 is the application form
 - Page 2 and thereafter contains all relevant supporting documentation
 - The PDF may not exceed 12 pages for QII(1) and (3); submit the completed and accurate application form and all supporting documentation for that incentive or initiative via email, to qii@utah.gov, no later than May 31st of each year.

(1) Quality Improvement Incentive 1 (QII1):

- (a) Funds in the amount of \$1,000,000 shall be set aside from the base rate budget annually to reimburse current Medicaid-certified non-ICF/IID facilities that have:
 - (i) A meaningful quality improvement plan that includes the involvement of residents and family, which includes the following (weighting of 50%);
 - 1) A demonstrated process of assessing and measuring that plan; and
 - 2) Four quarterly customer satisfaction surveys conducted by an independent third party with the final quarter ending on March 31 of the incentive period, along with an action plan that addresses survey items rated below average for the year;
 - (ii) A plan for culture change along with an example of how the facility has implemented culture change (weighting of 25%);
 - (iii) An employee satisfaction program (weighting of 25%);
 - (iv) No violations that are at an "immediate jeopardy" level as determined by the Department during the incentive period; and
 - (v) A facility that receives a substandard quality of care level F, H, I, J, K, or L during the incentive period is eligible for only 50% of the possible reimbursement.
 - (vi) A facility that receives more than one substandard quality of care in F, H, I, J, K, or L in the incentive period is ineligible for reimbursement under this incentive.
- (b) The Department shall distribute incentive payments to qualifying, current Medicaid-certified facilities based on the proportionate share of the total Medicaid resident days in qualifying facilities.
- (c) If a facility seeks administrative review of the determination of a survey violation, the incentive payment will be withheld pending the final administrative adjudication. If violations are found not to have occurred, the Department will pay the incentive to the facility. If the survey findings are upheld, the Department will distribute the remaining incentive payments to all qualifying facilities.
- (d) This QII1 period is from July 1st through June 30th of each State Fiscal Year for that State Fiscal Year.

T.N. # 24-0019

Approval Date November 12, 2024

Supersedes T.N. 23-0006

Effective Date 7-1-24

900 RATE SETTING FOR NFs (Continued)

1195 INCENTIVES

In order for an ICF/IID to qualify for any Quality Improvement Incentive or Initiative in Subsections (1) or (2):

- The ICF/IID must:
 - submit all required documentation;
 - clearly mark and organize all supporting documentation to facilitate review by Department staff;
 - submit one application per email with one PDF attachment as follows:
 - Page 1 is the application form
 - Page 2 and thereafter contains all relevant supporting documentation
 - The PDF may not exceed 12 pages for the QII(1)
 - submit the completed and accurate application form and all supporting documentation for that incentive or initiative via email, to gji@utah.gov, no later than May 31st of each year for QII1 and as stated in 2)d) for QII2.

1) Quality Improvement Incentive 1 (QII1):

- a) The Department shall set aside \$200,000 annually from the base rate budget for incentives to current Medicaid-certified ICF/IIDs. In order for an ICF/IID to qualify for an incentive:
 - i) The application form and all supporting documentation for this incentive must be emailed or mailed with a postmark during the incentive period. Failure to include all required supporting documentation precludes an ICF/IID from qualification.
 - ii) The ICF/IID must clearly mark and organize all supporting documentation to facilitate review by Department staff.
- b) In order to qualify for an incentive, an ICF/IID must have:
 - i) A meaningful quality improvement plan which includes the involvement of residents and family with a demonstrated means to measure that plan (weighting of 50%);
 - ii) Four quarterly customer satisfaction surveys conducted by an independent third party with the final quarter ending on March 31 of the incentive period, along with an action plan that addresses survey items rated below average for the year (weighting of 25%);
 - iii) An employee satisfaction program (weighting of 25%); and
 - iv) No violations, as determined by the Department, that are at an "immediate jeopardy" level during the incentive period.
 - v) An ICF/IID receiving a condition level deficiency during the incentive period is eligible for only 50% of the possible reimbursement.
 - vi) An ICF/IID facility that receives more than one condition level deficiency in the incentive period is ineligible for reimbursement under this incentive.
- c) The Department shall distribute incentive payments to qualifying ICF/IIDs based on the proportionate share of the total Medicaid resident days in qualifying ICF/IIDs.
- d) If an ICF/IID seeks administrative review of a survey violation, the incentive payment will be withheld pending the final administrative determination. If violations are found not to have occurred at a severity level of immediate jeopardy or higher, the incentive payment will be paid to the ICF/IID. If the survey findings are upheld, the Department shall distribute the remaining incentive payments to all qualifying ICF/IIDs.

This QII1 period is from July 1st through June 30th of each State Fiscal Year for that State Fiscal Year.

T.N. # 24-0019

Approval Date November 12, 2024

Supersedes T.N. 23-0006

Effective Date 7-1-24

900 RATE SETTING FOR NFs (Continued)

1195 QUALITY IMPROVEMENT INCENTIVES

- 2) Quality Improvement Incentive 2 (QII2)
 - a) In addition to the above incentives, funds in the amount of \$967,700 have been allocated to fund the QII2 for facility improvements beginning in State Fiscal Year 2024.
 - b) This QII2 period is for incentive programs completed from July 1 until May 31, of each State Fiscal Year.
 - c) In order to qualify for the QII2:
 - i) A facility must demonstrate proof of completing the incentive by the end of the defined period;
 - ii) The facility's proposal and execution documentation must include a detailed description demonstrating how the selected categories were successfully implemented during the time period for which payment is being requested.
 - d) Each Medicaid provider may apply for the following quality improvement incentives:
 - i) Incentive for facilities to implement, for each resident, based upon the ability of the individual served, employment opportunity, work assessment, community integration or staff education programs. Qualifying ICF/IID facilities may receive a per bed amount calculated by dividing \$967,700 by the sum of the ICF/IID Medicaid-certified beds as of July 1. An ICF/IID facility is limited to no more than 50 beds for this incentive. The sum of beds will not use more than 50 beds for any facility. The following qualifying criteria shall apply:
 - (A) The facility shall select two programs under this Subsection (ii)(D), (E), (F), (G) or (H) to complete during the SFY;
 - (B) The facility shall provide a proposal, no later than September 30 or within 30 days of approval of this State Plan amendment's (T.N. #23-0006) approval date, to the Department detailing how the QII(2)(d)(ii) payments will be utilized to establish and execute the selected programs during the SFY (25%);
 - (C) The facility shall submit an application detailing the implementation of the proposal to the Department 30 days before the end of quarters 2, 3 and 4 or within 30 days of approval of this State Plan amendment's (T.N. #23-0006) approval date. The detail should denote how the selected QII(2)(d)(ii) programs were successfully implemented during the quarter (25% for each quarter);

T.N. # 24-0019

Approval Date November 12, 2024

Supersedes T.N. 23-0006

Effective Date 7-1-24

900 RATE SETTING FOR NFs (Continued)

1195 QUALITY IMPROVEMENT INCENTIVE

- (A) The proposal and execution applications for implementing an employment, vocational, or life skills training opportunity program, uniquely tailored to each individual, shall include the following elements:
 - I. Employment opportunity (unless the individual is in school or of retirement age);
 - II. Vocational opportunity as required through the state vocational rehabilitation office (unless the individual is of retirement age); or
 - III. Life skills training or, for individuals of retirement age, retirement activities and outings
- (B) The proposal and execution applications for implementing a work assessment program shall address cognitive, physical, social, behavioral appropriateness, and communication abilities appropriate for the work environment.
- (C) The proposal and execution applications for implementing a community integration program shall address how the facility facilitates a community integration process with membership, community opportunity, normalized errands, housing, adaptive equipment, financial services, healthcare services, individualized interests, and transportation services.
- (D) The proposal and execution application for implementing a staff education program shall include the following elements:
 - IV. Resident rights; and
 - V. Community opportunity and integration resources;
- (E) The proposal and execution application for implementing a COVID-19 staff vaccination program including payment incentives of at least \$50 for staff receiving the required dosage at the interval recommended by the manufacturer and booster or annual doses within 3 months of becoming eligible based on the most current CDC and ACIP recommendations. This includes staff who were fully vaccinated against COVID- 19 prior to the start of SFY 2023. The application must include a list of employees who received the required dosage, verification the employee received the incentive and each employee's signature attesting to each person's having met the parameters.
- (F) If COVID-19 restrictions interfere with the execution of the QII2(ii) program proposed for any given period, the ICF/IID may qualify for funds by demonstrating execution of the program with modifications appropriate during the national public health emergency as declared by the President of the United States for the program.
- ii) Any funds having not been disbursed for the QII(2)(d)(ii) program are available to reimburse qualifying ICF/IID facilities. The Department shall distribute incentive payments to qualifying ICF/IID facilities based on the proportionate share of unused funds divided by the number of Medicaid-certified beds as of July 1, not to exceed 50. In order to qualify for this incentive, an ICF/IID must have:
 - (A) Achieved 100% of eligible payment in QII(2)(d)(i);No violations, as determined by the Department, that are an "immediate
 - (B) jeopardy" level during the incentive period; and
 - (C) No condition level of deficiency during the incentive period.
- e) The Department shall distribute incentive payments to qualifying, current Medicaid-certified ICF/IID facilities based on the following example which is for illustrative purposes only:

T.N. # 24-0019

Approval Date November 12, 2024

Supersedes T.N. 23-0006

Effective Date 7-1-24