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State/Territory Name: Utah

State Plan Amendment (SPA) #: UT 25-0001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 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

June 24, 2025

Jennifer Strohecker
State Medicaid Director
Utah Department of Health
P.O. Box 143101
Salt Lake City, UT 84114-3101

RE: TN 25-0001

Dear Director Strohecker:

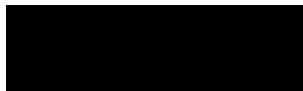
The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Utah state plan amendment (SPA) to Attachment 4.19-D UT 25-0001, which was submitted to CMS on March 31, 2025. This plan amendment reallocates the quality improvement incentive (QII) pool amounts for nursing facilities (NF) and intermediate care facilities for individuals with intellectual disabilities (ICF/IID).

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, 2025. 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 Tom Caughey at 517-487-8598 or via email at tom.caughey@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 5 — 0 0 0 1

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, 2025

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 2025\$ 0b. FFY 2026\$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Pages 24, 25, 26, 27, 36, 37, and 38 of Attachment 4.19-D8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)Pages 24, 25, 26, 27, 36, 37, and 38 of Attachment 4.19-DRemoves Page 39 of Attachment 4.19-D

9. SUBJECT OF AMENDMENT

Quality Improvement Incentive - This amendment updates and clarifies incentives for the Quality Improvement program for both Medicaid-certified intermediate care facilities for individuals with intellectual disabilities and nursing facilities for fiscal year 2026.

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

March 31, 2025

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

March 31, 2025

17. DATE APPROVED

June 24, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, 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
 - Limited to 4 approved applications for QII(1); and
 - 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 gii@utah.gov, no later than May 31st of each year.

- (1) Quality Improvement Incentive 1 (QII1):
- (a) Funds in the amount of \$4,700,000 shall be set aside from the base rate budget annually to reimburse current Medicaid-certified non-ICF/IID facilities.
 - (b) Qualifying, current Medicaid-certified providers may receive an upper bound limit dollar amount called QII1 limit amount, which is equal to the QII1 total funds divided by the total number of qualifying Medicaid-certified beds at the beginning of that State Fiscal Year across all initiatives in this subsection (1), for each Medicaid-certified bed. The Medicaid-certified bed count used for each facility for this incentive and for each initiative in this incentive is the count in the facility at the beginning of the incentive period.
 - (c) A facility may not receive more for any initiative than its documented costs for that initiative.
 - (d) This QII1 period is from July 1st of one year prior to the current State Fiscal Year through May 31st of the current State Fiscal Year.
 - (e) In order to qualify for any of the quality improvement initiatives in this subsection:
 - (i) A facility must purchase each item by the end of the incentive period, and install each item during the incentive period;
 - (ii) Applications must include a detailed description of the functionality of each item that the facility purchases, attesting to its meeting all of the criteria for that initiative;
 - (iii) A facility, with its application, must submit detailed documentation that supports all purchase, installation and training costs for that initiative. This documentation must include invoices and proof of purchase (i.e. copies of cancelled checks, credit card slips, etc.). If proof of purchase and invoice amounts differ, the facility must provide detail to indicate the other purchases that were made with the payment, or that only a partial payment was made;
 - (iv) A facility must clearly mark and organize all supporting documentation to facilitate review by Department staff.
 - (f) Each Medicaid provider may apply for the following quality improvement initiatives:
 - (i) Incentive for facilities to purchase or enhance nurse call systems. Qualifying Medicaid providers may receive \$391 for each Medicaid-certified bed. Qualifying criteria include the following:

T.N. # 25-0001

Approval Date June 24, 2025

Supersedes T.N. 24-0019

Effective Date 7-1-25

900 RATE SETTING FOR NFs (Continued)

- (A) The nurse call system is compliant with approved "Guidelines for Design and Construction of Health Care Facilities;"
 - (B) The nurse call system does not primarily use overhead paging; rather a different type of paging is used. The paging system could include pagers, cellular phones, personal digital assistant devices, hand-held radio, etc. If radio frequency systems are used, consideration should be given to electromagnetic compatibility between internal and external sources;
 - (C) The nurse call system shall be designed so that a call activated by a resident will initiate a signal distinct from the regular staff call system, and can only be turned off at the resident's location;
 - (D) The signal shall activate an annunciator panel or screen at the staff work area or other appropriate location, and either a visual signal in the corridor at the resident's door or other appropriate location, or staff pager indicating the calling resident's name and/or room location, and at other areas as defined by the functional program;
 - (E) The nurse call system must be capable of tracking and reporting response times, such as the length of time from the initiation of the call to the time a nurse enters the room and answers the call.
- (ii) Incentive for facilities to purchase new resident lift systems capable of lifting residents weighing up to 400 pounds each. Qualifying Medicaid providers may receive \$45 for each Medicaid- certified bed per resident lift, with a maximum of \$90 for each Medicaid-certified bed.
 - (iii) Incentive for facilities to purchase new resident bathing systems. Qualifying Medicaid providers may receive the QII1 limit amount for each Medicaid-certified bed. To qualify, a facility must purchase resident bathing improvements that may be one or more of the following:

T.N. # 25-0001

Approval Date June 24, 2025

Supersedes T.N. 23-0006

Effective Date 7-1-25

900 RATE SETTING FOR NFs (Continued)

- (A) A new side-entry bathing system that allows the resident to enter the bathing system without having to step over or be lifted into the bathing area;
- (B) Heat lamps or warmers (e.g. blanket or towel);
- (C) Bariatric equipment (e.g. shower chair, shower gurney; and
- (D) General improvements to the patient bathing/shower area(s).
- (iv) Incentive for facilities to purchase or enhance patient life enhancing devices. Qualifying Medicaid providers may receive the QII1 limit amount for each Medicaid-certified bed. Patient life enhancing devices are restricted to:
 - (A) Telecommunication enhancements primarily for patient use. This may include land lines, wireless telephones, voice mail, and push-to-talk devices. Overhead paging, if any, must be reduced;
 - (B) Wander management systems and patient security enhancement devices (e.g., cameras, access control systems, access doors, etc.);
 - (C) Computers, game consoles, or personal music system for patient use;
 - (D) Garden enhancements;
 - (E) Furniture enhancements for patients;
 - (F) Wheelchair washers;
 - (G) Automatic doors;
 - (H) Flooring enhancements;
 - (I) Automatic Electronic Defibrillators (AED devices);
 - (J) Energy efficient windows with a U-factor rating of 0.35 or less;
 - (K) Exercise equipment for group fitness classes (e.g., weights, exercise balls, exercise bikes, etc.);
 - (L) Environmental management programs (e.g. water management programs, disinfectant fogger, etc.); and
 - (M) Fall-reduction beds.
- (v) Incentive for facilities to educate staff as specified on the application form. Qualifying Medicaid providers may receive \$110 for each Medicaid-certified bed.
- (vi) Incentive for facilities to purchase or make improvements to van and van equipment for patient use. Qualifying Medicaid providers may receive the QII1 limit amount for each Medicaid-certified bed.
- (vii) Incentive for facilities to purchase or lease new or enhance existing clinical information systems or software or hardware or backup power. Qualifying Medicaid providers may receive the QII1 limit amount for each Medicaid-certified bed.
 - (A) The software must incorporate advanced technology into improved patient care that includes better integration, captures more information at the point of care, and includes more automated reminders, etc. A facility must include the following tracking requirements in the software:
 - (I) Care plans;
 - (II) Current conditions;
 - (III) Medical orders;
 - (IV) Activities of daily living;
 - (V) Medication administration records;
 - (VI) Timing of medications;
 - (VII) Medical notes; and
 - (VIII) Point of care tracking.
 - (B) The hardware must facilitate the tracking of patient care and integrate the collection of data into clinical information systems software that meets the tracking criteria in Subsection A above.
 - (C) Consistent assignment scheduling software.
- (viii) Incentive for facilities to purchase a new or enhance its existing heating, ventilating, and air conditioning system (HVAC). Qualifying Medicaid providers may receive the QII1 limit amount for each Medicaid-certified bed.
- (ix) Incentive for facilities to use innovative means to improve the residents' dining experience. These changes may include meal ordering, dining times or hours, atmosphere, more food choices, etc. Qualifying Medicaid providers may receive \$200 for each Medicaid-certified bed.
- (x) Incentive for facilities to achieve outcome proven awards defined by either the American Health Care Association Quality First Award program or the Malcolm Baldrige Award. Qualifying Medicaid providers may receive \$100 per Medicaid-certified bed.
- (xi) Incentive for facilities to provide flu or pneumonia immunizations for its employees at no cost to the workers. Qualifying Medicaid providers may receive \$15 per Medicaid-certified bed. The application must include a signature list of employees who receive the free vaccinations.
- (xii) Incentive for facilities to purchase new patient dignity devices. Qualifying Medicaid providers may receive \$100 for each Medicaid-certified bed. Patient dignity devices are restricted to:
 - (A) Bladder scanner.
 - (B) Bariatric scale capable of weighing patients up to at least 600 pounds.
- (xiii) Incentive for facilities to provide COVID-19 vaccinations for its employees with a minimum incentive value of \$50 (e.g., cash, gift card, etc.) to each employee who received the full vaccination regimen. Qualifying Medicaid providers may receive \$50 for each employee who received the full vaccination regimen not to exceed \$300 per Medicaid-certified bed. The application must include a list of employees who received the full vaccination regimen, verification the employee received the incentive and each employee's signature attesting to each person's having met the parameters.

900 RATE SETTING FOR NFs (Continued)

- (2) Quality Improvement Incentive 2 (QII2):
- (a) Funds in the amount of \$145,900 shall be set aside from the base rate budget annually and any funds that have not been disbursed annually for the Quality Improvement Incentive 1 (QII1) shall be set aside to reimburse current Medicaid-certified, non-ICF/IID, facilities that have:
 - (i) Applied for and received at least one of the QII1 reimbursements;
 - (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 a distinct action plan for each quarter that addresses each survey items rated below average; and
 - (iii) Demonstrated specific resident choice and preferences. The facility must document how the following three resident choice areas have been implemented:
 - (A) Awake and bedtime (when the resident wants to wake up and/or go to sleep);
 - (B) Mealtime; and
 - (C) Bath time.
 - (iv) For the period of April 1 through March 31:
 - (A) No violations that are an "immediate jeopardy" level as determined by the Department;
 - (B) A facility that receives a substandard quality of care level F, H, I, J, K, or L is eligible for only 50% of the possible reimbursement; and
 - (C) A facility that receives more than one substandard quality of care level F, H, I, J, K, or L is ineligible for reimbursement under this incentive.
 - (b) The Department shall distribute incentive payments to qualifying, current Medicaid- certified, non-ICF/IID facilities based on the proportionate share of the total Medicaid resident days in qualifying facilities.
 - (c) This QII2 period is from July 1st through May 31st of each State Fiscal Year for that State Fiscal Year.

T.N. # 25-0001

Approval Date June 24, 2025

Supersedes T.N. # 13-019

Effective Date 7-1-25

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;
 - Limited to 4 approved applications for QII(1); and
 - The PDF may not exceed 12 pages for the QII(2).
 - 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) The Department shall set aside \$867,700 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) Qualifying, current Medicaid-certified ICF/IID providers may receive an upper bound limit dollar amount called QII1 limit amount, which is equal to the QII1 total funds divided by the total number of qualifying Medicaid-certified beds at the beginning of that State Fiscal Year across all initiatives in this subsection (1), for each Medicaid-certified bed. The Medicaid-certified bed count used for each facility for this incentive and for each initiative in this incentive is the count in the facility at the beginning of the incentive period not to exceed 50.
 - c) A facility may not receive more for any initiative than its documented costs for that initiative.
 - d) This QII1 period is from July 1st of one year prior to the current State Fiscal Year through May 31st of the current State Fiscal Year.
 - e) In order to qualify for any of the quality improvement initiatives in this subsection:
 - i) A facility must purchase each item by the end of the incentive period, and install each item during the incentive period;
 - ii) Applications must include a detailed description of the functionality of each item that the facility purchases, attesting to its meeting all of the criteria for that initiative;
 - iii) A facility, with its application, must submit detailed documentation that supports all purchase, installation and training costs for that initiative. This documentation must include invoices and proof of purchase (i.e. copies of cancelled checks, credit card slips, etc.). If proof of purchase and invoice amounts differ, the facility must provide detail to indicate the other purchases that were made with the payment, or that only a partial payment was made;
 - f) Qualifying Medicaid ICF/IID providers may receive the QII1 limit amount for each Medicaid-certified bed for resident life enhancing devices (g)(i), and a max of 50% of the QII1 limit combined for:
 - i) resident bathing systems (g)(ii);
 - ii) vehicles and vehicle equipment (g)(iii);
 - iii) HVAC (g)(iv); and
 - iv) residents' dining experience (g)(v).
 - g) Each Medicaid ICF/IID provider may apply for the following quality improvement initiatives:
 - i) Incentive for facilities to purchase resident life enhancing devices. Qualifying Medicaid ICF/IID providers may receive the QII1 limit amount for each Medicaid-certified bed. Resident life enhancing devices are restricted to:

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Approval Date June 24, 2025

Supersedes T.N. # 24-0019

Effective Date 7-1-25

900 RATE SETTING FOR NFs (Continued)

- (A) Individual Supported Employment/Day Support coach from an independent 3rd party;
 - (B) Activities (durable equipment for group or individual activities not including general activity items such as craft supplies);
 - (C) Telecommunication enhancements primarily for resident use. This may include landlines, wireless telephones, voicemail and push to talk devices. Overhead paging, if any, must be reduced;
 - (D) Wander management systems and resident security enhancement devices (e.g. cameras, access control systems, access doors, etc.);
 - (E) Computers and game consoles for resident use (includes TVs and personal music systems);
 - (F) Garden or yard enhancements, which may include a patio or gazebo and is primarily for resident use and recreation. (Does not include landscaping, snow removal, etc.);
 - (G) Furniture enhancements for patients (includes mattresses, bedspreads, comforters but not blankets or sheets);
 - (H) Wheelchair washers;
 - (I) Automatic doors;
 - (J) Flooring enhancements;
 - (K) Automatic Electronic Defibrillators (AED devices);
 - (L) Energy efficient windows for resident areas with a U-factor rating of 0.35 or less;
 - (M) Exercise equipment and structures, solely for fitness activities, to enhance recreational and exercise opportunities for residents (e.g., weights, exercise balls, exercise bikes, etc.);
 - (N) Environmental management programs (e.g. water management programs, disinfectant fogger, etc.); and
 - (O) Fall-reduction beds.
- ii) Incentive for facilities to purchase new resident bathing systems. To qualify, a facility must purchase resident bathing improvements that may be one or more of the following:
- (A) A new side-entry bathing system that allows the resident to enter the bathing system without having to step over or be lifted into the bathing area;
 - (B) Heat lamps or warmers (e.g. blanket or towel);
 - (C) Bariatric equipment (e.g. shower chair, shower gurney; and
 - (D) General improvements to the resident bathing/shower area(s).
- iii) Incentive for facilities to purchase or make improvements to vehicles and vehicle equipment for resident use.
- iv) Incentive for facilities to purchase a new or enhance its existing heating, ventilating, and air conditioning system (HVAC).
- v) Incentive for facilities to use innovative means to improve the residents' dining experience. These changes may include meal ordering, dining times or hours, atmosphere, more food choices, etc.

T.N. # 25-0001

Approval Date June 24, 2025

Supersedes T.N. 24-0019

Effective Date 7-1-25

900 RATE SETTING FOR NFs (Continued)

1195 QUALITY IMPROVEMENT INCENTIVES

- 2) Quality Improvement Incentive 2 (QII2)
 - a) Funds in the amount of \$300,000 shall be set aside from the base rate budget annually and any funds that have not been disbursed annually for the Quality Improvement Incentive 1 (QII1) shall be set aside to reimburse qualifying current Medicaid-certified ICF/IID facilities that have:
 - i) Applied for and received at least one of the QII1 reimbursement;
 - 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 a distinct action plan for each quarter that addresses each survey item rated below average;
 - iii) Substantial community integration program including:
 - (A) Employment or vocational opportunities (where appropriate);
 - (B) Individualized activities documented for each individual; and
 - (C) Resources used to implement the program (including use of staff).
 - iv) For the period of April 1 through March 31:
 - (A) No violations that are an "immediate jeopardy" level as determined by the Department;
 - (B) A facility that receives violation of a Condition of Participation is eligible for only 50% of the possible reimbursement; and
 - (C) A facility that receives more than one violation of a Condition of Participation is ineligible for reimbursement under this incentive;
- b) The Department shall distribute incentive payments to qualifying ICF/IID facilities based on the proportionate share of funds divided by the number of Medicaid-certified beds as of July 1, not to exceed 50.
- c) This QII2 period is from July 1st through May 31st of each State Fiscal Year for that State Fiscal Year.

T.N. # 25-0001

Approval Date June 24, 2025

Supersedes T.N. 24-0019

Effective Date 7-1-25