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State/Territory Name: Utah

State Plan Amendment (SPA) #: UT 25-0019

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

January 27, 2026

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

RE: TN 25-0019

Dear Director Ewing:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Utah state plan amendment (SPA) to Attachment 4.19-A UT 25-0019, which was submitted to CMS on July 15, 2025. This plan amendment implements medical transplant organ acquisition costs for covered organ transplants reimbursed via a separate, unbundled, payment pool.

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,

A solid black rectangular box used to redact the signature of the sender.

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 1 9

2. STATE

UT3. 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, 20255. FEDERAL STATUTE/REGULATION CITATION
42 CFR 412.60

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025 ~~\$ 200,125~~ \$0b. FFY 2026 ~~\$ 800,500~~ \$0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Pages 5 and 5.1 of ATTACHMENT 4.19-A8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)Page 5 of ATTACHMENT 4.19-A

9. SUBJECT OF AMENDMENT

Organ Acquisition - Effective July 1, 2025, Utah Medicaid will reimburse hospitals for organ transplants through a separate, unbundled payment pool for newly eligible populations and legacy eligible populations. Additionally, this amendment will include a new web address for organ acquisition on the Medicaid website.

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

July 15, 2025

15. RETURN TO

Craig Devashrayee
Department of Health & Human Services
Division of Integrated Healthcare
cdevashrayee@utah.gov**FOR CMS USE ONLY**

16. DATE RECEIVED

July 15, 2025

17. DATE APPROVED

January 27, 2026**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

State authorized a pen and ink change to block 6 on 12/8/2025 to show \$0 Federal budget impact for FFY 25 and 26. State authorized a pen and ink change to block 6 on 12/8/2025 to take out improper pool language.

INPATIENT HOSPITAL
Section 100 Payment Methodology (Continued)

123 Effective Dates for Rates - Payment rates will be effective based on "date of discharge." When a patient is transferred from another hospital, as opposed to discharged, the payment will be calculated using the rate in effect at the time of the discharge.

130 Property and Education - The Medicaid DRG payment rates are all inclusive. There are no designated pass-through costs or other add-on factors for costs such as capital, or other expenditures. However, these factors are reflected in the hospital charge structure used to calculate the DRG payment.

TABLES USED IN DRG RATE CALCULATIONS: These tables are updated annually and can be found at the website referenced in Section 122.

140 Transfer Patients -- Except as otherwise specified in the State Plan, the federal Medicare methodology will be followed for transfer patients. The hospital which transfers the patient will be paid the DRG per diem fee for each day of care. The per diem is determined by calculating the DRG payment, dividing by the ALOS, and adding one day. Except as provided in the State Medicaid Plan, payment to the transferring hospital may not exceed the full prospective DRG payment rate. In cases of distinct rehabilitation units and hospitals excluded from the DRG prospective payment system, the transfers will be considered discharges and the full DRG payment, including outliers, will be paid. To be eligible for Medicaid payments, the exempt distinct rehabilitation unit must be part of an acute hospital. When a person is appropriately admitted and cared for in an acute hospital and is appropriately transferred to another hospital for extended specialized service and later transferred back to the first hospital, the first hospital is paid the full DRG for the combined stays while the other hospital is paid a per diem under the transfer payment policy. Such per diem payments are not restricted by the DRG payment limitation. Transfers involving hospitals excluded from DRGs will also be paid based on their respective payment methodology.

145 Split Eligibility -- When a Medicaid patient is eligible for only part of the hospital stay, the Medicaid payment will be calculated by the following formula:

$$\text{Claim Payment} = \text{Medicaid Eligible Days divided by Total Hospital Days} \times \text{Full Medicaid Payment}$$

The split eligible payment constitutes payment in full for all services rendered on those days on which the patient was eligible for Medicaid and must be accepted as such by the provider hospital. The hospital may not bill the patient for any services rendered on those days. In contrast, the hospital can bill the patient full charges for services rendered during those days that the patient is not eligible for Medicaid. When both third-party payments and split eligibility are involved, the third-party payment will first be applied to the period prior to eligibility. Any remaining TPL will be used to reduce the Medicaid payment.

160 Services Covered by DRG Payments -- Medicaid adopts the general provision of the bundling concepts used by Medicare. Physicians, including resident physicians and nurse anesthetists may bill separately under their own provider numbers. Such billings are in addition to the DRG payment. All other inpatient hospital services, as defined by Medicare, are covered by the DRG system. DRGs are paid for inpatient hospital admissions when a baby is delivered even though the mother or baby is discharged in less than 20 hours.

T.N. # 25-0019

Approval Date January 27, 2026

Supersedes T.N. # 13-028

Effective Date 7-1-25

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: UTAH

161 Donor Organs -- Beginning July 1, 2025, medical transplant organ acquisition costs for covered organ transplants are reimbursed via a separate, unbundled, payment pool. The annual payment pool is funded with \$250,000 non-federal share plus matching federal funds.

The costs submitted for the pool are limited to those directly related to the Medicaid covered organ acquisition, which are referred to as Medicaid eligible expenses in the following paragraphs. Reimbursement shall not exceed the actual costs. Any undistributed funds will not carry over to the next year. The total amount distributed will not exceed the payment pool.

A reimbursement percentage is calculated by dividing the pool amount by the total amount of Medicaid eligible expenses for all submissions for the SFY, with a maximum percentage of 100%. For example, if \$2 million in expenses are eligible for reimbursement and \$1 million is in the funding pool, all expenses would be reimbursed at a 50% level.

The reimbursement amount for each Medicaid eligible expense is calculated as the reimbursement percentage multiplied by the Medicaid eligible expense.

Charges for medical transplant organ acquisition costs should not be included in any claims submitted through normal adjudication processes.

For a provider to qualify for reimbursement:

- The provider must submit all required documentation as found on <https://medicaid.utah.gov/stplan/inpatientoa/>
- The provider must submit the complete supporting documentation on or before December 31st of each year for the previous state fiscal year discharges,
- The provider must include an invoice showing the actual acquisition cost of the organ,
- 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 secure email to reimbursementunit@utah.gov no later than December 31st for the preceding state fiscal year to be considered for reimbursement. Late submissions will not be considered for reimbursement.

T.N.# UT-25-0019

Approval Date January 27, 2026

Supersedes T.N. # New

Effective Date 7-1-25