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State/Territory Name: Utah

State Plan Amendment (SPA) #: 21-0013

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

April 12, 2022

Tonya Hales
Interim Medicaid Director
Division of Health Care Financing
Utah Department of Health
P.O. Box 143101
Salt Lake City, UT 84114-3101

Re: Utah 21-0013

Dear Ms. Hales:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0013. Effective for services on or after October 1, 2021, this amendment updates the methodology for Disproportionate Share Hospitals (DSH).

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 21-0013 is approved effective October 1, 2021. The CMS-179 and the amended plan pages are attached.

If you have any questions, please contact Christine Storey at Christine.storey@cms.hhs.gov or (303) 844-7044.

Sincerely,



Rory Howe
Director

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

1. TRANSMITTAL NUMBER

2 1 — 0 0 1 3

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

October 1, 2021

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 455.304

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 0
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Pages 10 and 11a of ATTACHMENT 4.19-A

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Pages 10 and 11a of ATTACHMENT 4.19-A

9. SUBJECT OF AMENDMENT

Disproportionate Share Hospitals

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
Tonya Hales

13. TITLE
Interim Medicaid Director, Utah Department of Health

14. DATE SUBMITTED
October 15, 2021

15. RETURN TO

Craig Devashrayee, Manager
Technical Writing Unit
Utah Department of Health
Division of Medicaid and Health Financing
cdevashrayee@utah.gov

FOR CMS USE ONLY

16. DATE RECEIVED
October 15, 2021

17. DATE APPROVED
April 12, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2021

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

INPATIENT HOSPITAL
Section 400 Adjustments for Disproportionate Share Hospitals

409 Introduction -- This section establishes criteria for identifying and paying disproportionate share hospitals (DSH). For the purpose of paying disproportionate share hospitals, there are six types of hospitals: first, private hospitals licensed as general acute hospitals located in urban counties; second, general acute hospitals located in rural counties; third, the State Psychiatric Hospital; fourth, the State Teaching Hospital; fifth, children's hospital; and sixth, frontier county hospitals in economically depressed areas. Out-of-state hospitals are not eligible to receive DSH payments.

Funds from facilities not qualifying for the total annual supplemental payment amounts under Section 415 and 419 will be pooled together for redistribution to other qualifying hospitals under Section 415 and 419. Qualifying hospitals having maximized their annual supplemental DSH payment amount and that have not exceeded their uncompensated care cost will share in the pool based on each hospital's portion of the remaining uncompensated care costs. For example:

HOSP	Supple- mental CAP	Uncomp. Care Cost (UCC)	Supple- mental Payment to CAP	Room to Supple- mental CAP (Pool)	Remaining UCC	% of Remaining UCC	Additional DSH from Pool	Total Supple- mental DSH Paid
A	\$862,000	\$200,000	\$200,000	(\$662,000)	\$0	0%	\$0	\$200,000
B	\$862,000	\$862,000	\$862,000	\$0	\$0	0%	\$0	\$862,000
C	\$862,000	\$900,000	\$862,000	\$0	\$38,000	16%	\$38,000	\$900,000
D	\$1,000,000	\$1,200,000	\$1,000,000	\$0	\$200,000	84%	\$200,000	\$1,200,000
Total	\$3,586,000	\$3,162,000	\$2,924,000	(\$662,000)	\$238,000	100%	\$238,000	\$3,162,000

DSH funds not otherwise paid to qualifying hospitals shall be available, subject to the uncompensated care cost limits, to the State Teaching Hospital. DSH payments will not exceed the federal allotment and match amounts for any given period.

Redistribution of disallowed monies:

For the purposes of this section, there are two pools of DSH monies available for potential redistribution of funds: 1) monies paid as lump-sum supplemental payments, and 2) monies paid to the state psychiatric hospital (no redistribution of these funds). If any payments made under this section are disallowed in future periods by CMS or any other audit, those disallowed amounts will be redistributed to other qualifying facilities. The redistribution of those payments will be based on the amount of remaining uncompensated care costs in the period of the disallowance and paid proportionally to the amounts previously paid for the period. Redistributions will not be counted against a facility's current year uncompensated care costs, unless the disallowance was for the current year.

Annual DSH Audits:

In addition to any other audits which may occur, independent certified audits of the DSH payments shall be conducted annually in accordance with 42 CFR 455.301 and 42 CFR 455.304. Reporting of the audit shall follow the guidelines stated in 42 CFR 447.299. In accordance with 42 CFR 455.304(e), findings for federal fiscal years 2005-2010 shall not be used for disallowing federal funds. For federal fiscal years 2011 and forward, any overpayments of DSH funds shall be redistributed as described above. Additionally, DSH funds not otherwise paid to qualifying hospitals shall be available, subject to the uncompensated care cost limits, to the State Teaching Hospital.

T.N. No. 21-0013

Approval Date April 12, 2022

Supersedes T.N. # 21-0008

Effective 10-1-21

INPATIENT HOSPITAL

Section 400 Adjustment for Disproportionate Share Hospitals (Continued)

416 Payment Adjustment for State Psychiatric Hospital -- The State Psychiatric Hospital is reimbursed on a retrospective annual cost settlement basis.

The annual limit for State Psychiatric Hospital DSH payments is the lesser of (1) the annual federal DSH limit for institutions for mental disease (IMD) or (2) the amount of uncompensated care costs. The method and timing of these DSH payments will be according to the following:

1. In order to receive Supplemental payments, the State Psychiatric Hospital must submit an "Uncompensated Care and DSH Survey" documenting the level of uncompensated care they provided. This survey is developed and communicated by the Utah Department of Health and is available on the Medicaid website at <https://medicaid.utah.gov>. The State Psychiatric Hospital may submit their survey monthly, quarterly, semi-annually, annually, or any combination thereof. The State Psychiatric Hospital may also amend previously submitted data, in the fiscal period, to reflect updated information in that period. The final or annual survey, if elected, must be submitted to the Department within 60 days of the end of the federal fiscal period. A final payment for the federal fiscal period just ended will then be made.
2. The State Psychiatric Hospital DSH payments will not exceed the total allowed as described above. The State Psychiatric Hospital may, however, reach its maximum payout prior to the end of the federal fiscal year if there is adequate, documented, uncompensated care in early quarters. Payments will be made following the receipt of the qualifying facility's uncompensated care survey, as such, this may be monthly, quarterly, semi-annually, annually, or any combination thereof. Once the State Psychiatric Hospital has reached the annual IMD allotment maximum, no additional payments will be made.

T.N. No. 21-0013

Approval Date April 12, 2022

Supersedes T.N. # 21-0008

Effective Date 10-1-21