



State of Utah

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## Utah Department of Health

JOSEPH K. MINER, MD, MSPH, FACPM  
*Executive Director*

### Division of Medicaid and Health Financing

NATE CHECKETTS  
*Deputy Director, Utah Department of Health*  
*Director, Division of Medicaid and Health Financing*

July 11, 2019

Members of the Social Services Appropriations Subcommittee  
State Capitol  
Salt Lake City, Utah 84114

Dear Subcommittee Member:

The Centers for Medicare and Medicaid Services (CMS) requires the Department of Health to update its State Plan and existing waivers for Medicaid when the State makes changes to the program. In accordance with these changes and reporting requirements of Subsection 26-18-3(3), the following is a summary of recent changes:

## STATE PLAN AMENDMENTS

### Quality and Capital Improvement Incentives

The Department submitted an amendment to the State Plan to update the quality improvement (QI) incentive for nursing facility providers and the capital improvement incentive (CII) for intermediate care facilities for individuals with intellectual disabilities (ICFs/ID).

This amendment includes two new patient services as part of a QI incentive to enhance reimbursement for nursing facility providers. The amendment also extends the time frame to June 30, 2020 for ICFs/ID to qualify for the CII.

Because these amendments change how facilities qualify for incentives but do not change the overall amount of the incentives, these amendments will not affect future appropriations. There is no cost shift to more expensive services for Medicaid members and their families.



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## **Mental Health and Substance Use Disorder Fee Schedule**

The Department submitted an amendment to the State Plan to update the mental health and substance use disorder fee schedule, through an increase in fee-for-service rates, effective April 1, 2019. These rates have not been adjusted since 2002 and are primarily being billed directly to the Department for services provided to Adult Expansion Medicaid members.

The Department estimates total annual expenditures to increase by about \$7,000,000 which is accounted for in the appropriation resulting from SB 96, Medicaid Expansion Adjustments, passed during the 2019 General Session of the Utah Legislature.

There is no cost shift to more expensive services for Medicaid members and their families.

## **Annual Rebasing Update**

The Department submitted an amendment to the State Plan based on the existing requirement to annually rebase pricing of physician codes. Also, as part of this process, rates for Home Health Services, Physical and Occupational Therapy, and Dental Services were increased based on addition appropriations made during the 2019 General Session of the Utah State Legislatures increases This amendment updates the effective date of rates to July 1, 2019, for the following Medicaid services:

- Home Health Services;
- Physician and Anesthesia Services;
- Optometry Services;
- Speech Pathology Services;
- Audiology Services;
- Chiropractic Services;
- Eyeglasses Services;
- Clinic Services;
- Physical Therapy and Occupational Therapy;
- Targeted Case Management for Individuals with Serious Mental Illness;
- Rehabilitative Mental Health Services;
- Dental Services and Dentures;
- Transportation Services (Special Services); and
- Transportation Services (Ambulance).

As directed by the 2019 Legislature, FY 2020 Medicaid reimbursement rates will be increased for Home Health Services, Physical and Occupational Therapy, and Dental Services. There is no cost shift to more expensive services for Medicaid members and their families.

## **Rural Health Clinic (RHC) and Federally Qualified Health Center (FQHC) Rebasing of Prospective Payment System (PPS) Rates**

The Department submitted an amendment to the State Plan to allow for Prospective PPS rate changes.

This amendment, therefore, allows an RHC or FQHC to increase its rate in the PPS when there is a change in the scope of services.

The Department estimates total annual expenditures to increase by about \$10,500.

There is no cost shift to more expensive services for Medicaid members and their families.

## **Outpatient Hospital Supplemental Payments**

The Department submitted an amendment to the State Plan to update the utilization trend for the outpatient hospital upper payment limit.

This amendment updates the utilization trend to 2.4 percent in State Fiscal Year 2020.

The Department estimates total annual expenditures to increase by about \$2,276,400.

There is no cost shift to more expensive services for Medicaid members and their families.

## **WAIVERS**

### **1115 Demonstration Waivers**

#### **Dental Services for Medicaid Eligible Individuals Age 65 and Older (SB 11 2019)**

An amendment was submitted to the State of Utah's 1115 Primary Care Network (PCN) Demonstration Waiver on June 28, 2019. This amendment is a result of Senate Bill 11 "Medicaid Dental Coverage Amendments", which passed during the 2019 General Session of the Utah State Legislature.

Approval of this amendment will allow the State of Utah to provide state plan dental benefits, as well as coverage of porcelain crowns, to Medicaid eligible individuals age 65 and older. It will also allow the State to provide porcelain crowns to Targeted Adult Medicaid beneficiaries who are eligible for dental benefits under the currently approved 1115 PCN Demonstration Waiver.

## **1915(b) Service Delivery System**

### **Choice of Health Care Delivery Program**

On June 17, 2019 an amendment was submitted to the Choice of Health Care Delivery Program to allow the state to enroll adult Medicaid expansion members in ACOs effective January 1, 2020

### **Prepaid Mental Health Plan**

On June 17, 2019, an amendment was submitted to the prepaid mental health program to allow the state to enroll adult Medicaid expansion members in Prepaid Mental Health Plans (PMHPs) effective January 1, 2020. In addition, this amendment replaces Valley Behavioral Health as the PMHP in Summit County with Healthy U-Summit effective September 1, 2019 based on a procurement conducted by Summit County for behavioral health services.

### **Utah Medicaid Integrated Care**

On June 17, 2019, the Department submitted a request for a new waiver to allow the state to create an integrated managed care plan for individuals eligible under Medicaid Adult Expansion in the Weber, Davis, Salt Lake and Utah Counties. This does not include individuals eligible under the Targeted Adult Medical program (TAM)

This waiver is a result of collaborative effort between the Department, the ACOs (Select Health Community Care, Healthy U, Health Choice and Molina) and the PMHPs. (Weber Human Services, Davis Behavioral Health, Wasatch Mental Health and Utah County Substance Abuse) that serve current Medicaid members in these counties. The waiver will require expansion adults to select an ACO for both their physical and behavioral health care. All ACO will be required to contract with the five PMHPs as essential behavioral health providers. Medicaid members will also have access to other behavioral health providers on each ACO's provider panel. If approved, this plan will go into effect January 1, 2020

## **1915 (c) Home and Community Based Services**

### **Medically Complex Children's Waiver**

An amendment to this waiver was submitted on June 12, 2019 that updated the financial projections in Appendix J to reflect increases to home care rates as appropriated by the legislature during the 2019 General Session. The proposed effective date for this change is July 1, 2019.

### **Aging Waiver**

An amendment to this waiver was submitted on June 12, 2019 that updated the financial projections in Appendix J to reflect increases to home care rates as appropriated by the legislature during the 2019 General Session. The proposed effective date for this change is July 1, 2019.

### Technology Dependent Waiver

An amendment to this waiver was submitted on June 12, 2019 that updated the financial projections in Appendix J to reflect increases to home care rates as appropriated by the legislature during the 2019 General Session. The effective date for this change is July 1, 2019.

### New Choices Waiver

An amendment to this waiver was submitted on June 12, 2019 that updated the financial projections in Appendix J to reflect increases to home care rates as appropriated by the legislature during the 2019 General Session. The proposed effective date for this change is July 1, 2019.

### Community Supports Waiver

An amendment to this waiver was submitted on June 12, 2019 that updated the financial projections in Appendix J to reflect increases to home care rates as appropriated by the legislature during the 2019 General Session. The effective date for this change is July 1, 2019.

## MANAGED CARE RATES

### Rates Submitted to or Approved by CMS - April-June 2019

Type of Plan	Rate Period	Date Submitted to CMS	Date Approved by CMS	COMMENTS
ACO	CY 2018 01/01/18- 12/31/18	02/06/2018	01/31/2019	Rates Paid
ACO	CY 2019 01/01/19- 12/31/19	04/11/2019	Pending Approval	
PMHP	SFY 2018 07/01/17- 06/30/18	12/15/2017	05/06/2019	Payment of Rates in Process
Dental Managed Care	SFY 2018 07/01/17- 06/30/18	03/16/2018	06/14/2019	Payment of Rates in Process
UNI-HOME	SFY 2019 07/01/18- 06/30/19	12/19/2018	05/30/2019	Rates Paid

Please let us know if you have any questions regarding this information.

Sincerely,



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Director, Medicaid and Health Financing



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