



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

**Utah Department of Health
Division of Medicaid and Health Financing**

Nate Checketts
Interim Executive Director, Department of Health

Emma Chacon
Interim Director, Division of Medicaid and Health Financing

July 12, 2021

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

Annual Rebasing Update

The Division of Medicaid and Health Financing (DMHF) has submitted an amendment to the State Plan.

This amendment updates the effective date of rates for Medicaid services to July 1, 2021, for physician and anesthesia services, optometry services, eyeglasses services, home health services, clinic services, dental services and dentures, physical therapy and occupational therapy, speech pathology services, audiology services, transportation for special services, ambulance transportation, medication-assisted treatment for opioid use disorders, targeted case management for individuals with serious mental illness, rehabilitative mental health services, and chiropractic services.

DMHF does not expect annual expenditures to change as a result of this amendment.

This amendment does not affect future appropriations and there is no cost shift to more expensive services for Medicaid members and their families.



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Rehabilitative Mental Health Services

The Division of Medicaid and Health Financing (DMHF) submitted an amendment to the State Plan.

This amendment allows a bundled payment methodology for mental health residential treatment programs with 16 or fewer beds for individuals 18 years of age or older, allows a bundled payment methodology for social detoxification programs, and includes a modification to the receiving center bundled payment methodology and general bundled rate provisions.

DMHF expect total annual expenditures of about \$3,448,000 as a result of this amendment. The state share of this increase will come from the Medicaid expansion fund and expendable receipts from counties.

This amendment does not affect future appropriations and there is no cost shift to more expensive services for Medicaid members and their families.

Medical Supplies and DME Rebasng

The Division of Medicaid and Health Financing (DMHF) submitted an amendment to the State Plan updating pricing for medical supplies and durable medical equipment, effective July 1, 2021.

DMHF does not expect total annual expenditures to change as a result of this amendment.

This amendment does not affect future appropriations and there is no cost shift to more expensive services for Medicaid members and their families.

Quality Improvement Incentive, Facility Cost Profile, and Fair Rental Value

The Division of Medicaid and Health Financing (DMHF) submitted an amendment to the State Plan that modifies the required time period for a skilled nursing facility to file the facility cost profile report and clarifies quality improvement (QI) incentive provisions for nursing facilities. It also adds a new QI incentive for intermediate care facilities for individuals with intellectual disabilities (ICF/IDs), clarifies the methodology to calculate fair rental value (FRV) when a nursing facility reduces existing beds, updates the rental factor, and implements an emergency exception for a nursing facility to complete the FRV project.



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DMHF expect an increase in annual expenditures of about \$3,710,000 as a result of this amendment based on funds appropriated in the 2021 General Session.

This amendment does not affect future appropriations and there is no cost shift to more expensive services for Medicaid members and their families.

Physician Assistants

The Division of Medicaid and Health Financing (DMHF) has submitted an amendment to the State Plan that allows physician assistants to bill independently for services, and ensures that if a physician bills for a service, a physician assistant cannot bill for the same service in accordance with SB 27, Physician Assistant Act Amendments (Sen. Bramble) and SB 28, Physician Assistant Mental Health Practice Amendments (Sen. Bramble) passed during the 2021 General Session. This amendment further includes physician assistants associated with the University of Utah Medical Group (UUMG) for the purpose of determining UPL payments.

DMHF does not expect total annual expenditures to change as a result of this amendment.

This amendment does not affect future appropriations and there is no cost shift to more expensive services for Medicaid members and their families.

Outpatient Hospital Supplemental Payments

The Division of Medicaid and Health Financing (DMHF) has submitted an amendment to the State Plan.

This amendment updates the utilization trend for the outpatient hospital upper payment limit in state fiscal year 2022.

DMHF expects annual total fund savings of about \$2,326,900 as a result of this change.

This amendment does not affect future appropriations and there is no cost shift to more expensive services for Medicaid members and their families.



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Disproportionate Share Hospitals

The Division of Medicaid and Health Financing (DMHF) submitted an amendment to the State Plan that updates sections in the State Plan related to disproportionate share hospitals to clarify that calculations are based on federal funds. It also shifts monies to the state hospital and changes the calculation for rural and frontier hospitals from an amount adjusted annually to a percent of federal funds available.

DMHF does not expect this update to affect total annual expenditures for the Medicaid program.

This amendment does not affect future appropriations and there is no cost shift to more expensive services for Medicaid members and their families.

Waivers

1115 Demonstration Waiver Updates

On May 11, 2021, the Department submitted a request to remove social detoxification from the 1115 waiver and add social detoxification as a statewide service through a SPA.

On June 30, 2021, the Department submitted a request to renew Utah's 1115 Demonstration Waiver for five additional years for the period of July 1, 2022 to June 30 2027.

1915(c) Home and Community Based Services Waivers

On June 17, 2021, the Department received approval on a five-year renewal of the Physical Disabilities Waiver.

On June 30, 2021, the Department submitted amendments to 6 waivers for the purpose of implementing SB 63 Caregiver Compensation passed during the 2021 General Session.



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**Managed Care Rates- Rates Submitted to or Approved by CMS
April-June 2021**

The following managed care rates were either submitted to or approved by CMS during this reporting period

Type of Plan	Rate Period	Date Submitted to CMS	Date Approved by CMS	COMMENTS
ACO	SFY 2022	05/19/2021		Rates for Legacy Medicaid Groups
Dental Managed Care	SFY 2021	05/17/2021		Rates for children, Pregnant women and disabled adults

Sincerely,

Emma Chacon

Emma Chacon
Interim Director
Medicaid and Health Financing