



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 2, 2020

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 Physician Rate Rebasing

The Department has submitted an amendment to the State Plan based on the existing requirement to annually rebase pricing of physician codes. This amendment, therefore, updates the effective date of rates to July 1, 2020, for the following Medicaid services:

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;



288 North 1460 West • Salt Lake City, UT
Mailing Address: P.O. Box 143101 • Salt Lake City, UT 84114-3101
Telephone (801) 538-6689 • Facsimile (801) 538-6478 • www.health.utah.gov

Audiology Services;

Transportation Services (Special Services);
Transportation Services (Ambulance);
Targeted Case Management for Individuals with Serious Mental Illness;
Rehabilitative Mental Health Services; and
Chiropractic Services.

As directed by the 2020 Legislature, FY 2020 Medicaid reimbursement rates will be increased for ground transportation services. There is no cost shift to more expensive services for Medicaid members and their families.

Capital Improvement Incentive

The Department has submitted an amendment to the State Plan to update the capital improvement incentive for intermediate care facilities for individuals with intellectual disabilities (ICFs/ID).

This amendment, therefore, extends the deadline for providers in ICFs/ID to qualify for the capital improvement incentive.

The 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 Rebasing

The Department has submitted an amendment to the State Plan to update its pricing for medical supplies and durable medical equipment (DME).

This amendment, therefore, updates pricing for these items effective July 1, 2020, and also clarifies rates of reimbursement in regard to the Healthcare Common Procedure Coding System (HCPCS).

The Department estimates an annual cost of about \$25,600 with this update.

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, therefore, updates the utilization trend to 3.8 percent in State Fiscal Year 2021.

The Department estimates total annual expenditures to increase by about \$315,000 as a result of this update.



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

State Audits in Nursing Facilities

The Department submitted an amendment to the State Plan to clarify the authority of audit procedures in state nursing facilities.

This amendment, therefore, clarifies that audits are conducted in accordance with applicable standards established by the American Institute of Certified Public Accountants (AICPA).

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

COVID-19 Emergency Disaster Relief

The Department submitted an amendment to the State Plan to include disaster provisions in response to the COVID-19 emergency.

This amendment, therefore, creates a new eligibility group to cover COVID-19 testing, waives any cost sharing for Medicaid members related to testing and treatment of COVID-19, and reimburses providers for the listed services.

There is a total increase of \$11,460,000 to the federal budget with no increase to the General Fund.

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

Quality Improvement Incentives

The Department submitted an amendment to the State Plan to update the incentive period for quality improvement in nursing facilities, in response to the COVID-19 national emergency.

This amendment, therefore, modifies the incentive period accordingly.

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

Disaster Relief Testing Locations

The Department submitted an amendment to the State Plan to include testing provisions in relation to SARS and the COVID-19 emergency.



This amendment therefore, covers testing of individuals for the SARS and COVID-19 viruses in non-office settings such as parking lots. It also covers laboratory processing of self-collected test systems, covers the first remote evaluation, delays in-person assessments to implement appropriate safeguards, and allows a six-month grace period after the emergency ends to allow for the reduction of assets.

There is a total increase of \$10,600,000 to the federal budget with no increase to the General Fund.

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

WAIVERS

1915(b) Waiver Amendments

Prepaid Mental Health Plan (PMHP) waiver amendment submitted to CMS April 2020
This waiver amendment removes Utah County Department of Alcohol and Drug Prevention and Treatment as a PMHP contractor. Utah County combined with Wasatch Mental Health to create a single mental health and substance use disorder organization known as Wasatch Behavioral Health. Wasatch Behavioral Health is now the Medicaid PMHP contractor for Utah County.

1915(c) Waiver Amendments

The Division submitted an emergency amendment called Appendix K that provided additional authority and flexibility in responding to the COVID health crisis. The flexibility granted in Appendix K has an effective date of January 26th 2020 and extends for one year from that date.

This standalone appendix may be utilized by the state during emergency situations to request amendments to its approved waiver, to multiple approved waivers in the state, and/or to all approved waivers in the state. It includes actions that states can take under the existing Section 1915(c) home and community-based waiver authority in order to respond to an emergency. Other activities may require the use of various other authorities such as the Section 1115 demonstrations or the Section 1135 authorities.¹ This appendix may be applied retroactively as needed by the state. Public notice requirements normally applicable under 1915(c) do not apply to information contained in this Appendix. The Appendix K can be found at https://medicaid.utah.gov/Documents/pdfs/covid/COVID_AppendixK.pdf

1135 Flexibilities Waiver

On March 13, 2020, pursuant to section 1135(b) of the Act, the Secretary of the United States Department of Health and Human Services invoked his authority to waive or modify certain requirements of titles XVIII, XIX, and XXI of the Act as a result of the consequences of the COVID-19 pandemic, to the extent necessary, as determined by CMS, to ensure that sufficient health care



items and services are available to meet the needs of individuals enrolled in the respective programs and to ensure that health care providers that furnish such items and services in good faith, but are unable to comply with one or more of such requirements as a result of the COVID-19 pandemic, may be reimbursed for such items and services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse.

This authority took effect as of 6PM Eastern Standard Time on March 15, 2020, with a retroactive effective date of March 1, 2020. The emergency period will terminate, and section 1135 waivers will no longer be available, upon termination of the public health emergency, including any extensions. On April 5, 2020 the Department submitted an 1135 Flexibilities Waiver. The full waiver is available at <https://medicaid.utah.gov/Documents/pdfs/covid/1135WaiverFinal.pdf>

Managed Care Rates- Rates Submitted to or Approved by CMS-April-June 2020

Type of Plan	Rate Period	Date Submitted to CMS	Date Approved by CMS	COMMENTS
ACO	SFY 2020	08/21/2019	Approved 06/16/2020	Rates for Legacy Medicaid Groups
PMHP	SFY 2020 07/01/19- 06/30/2020	07/18/2019	Approved 06/01/2020	Rates for Legacy Medicaid Groups
DENTAL	SFY 2020 07/01/19- 06/30/2020	06/15/2020	Pending Approval	Pregnant Women, children up through age 20, Disabled Medicaid
HOME	SFY 2021 07/01/20- 06/30/21	06/09/2020	Pending Approval	Individuals with IDD and co-occurring mental health and/or SUD.

Please let me know if you have any questions.

Sincerely,

Emma Chacon

Nate Checketts
Deputy Director, Department of Health
Director, Medicaid and Health Financing





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