



State of Utah

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## Utah Department of Health

W. David Patton, Ph.D.  
*Executive Director*

### Division of Medicaid and Health Financing

Michael Hales  
*Deputy Director, Utah Department of Health*  
*Director, Division of Medicaid and Health Financing*

April 3, 2015

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) (a), the following is a summary of recent changes:

#### **Reimbursement for Home Health Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates for home health services to July 1, 2015. This amendment is based on the existing State Plan requirement to annually rebase pricing of physician codes.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

#### **Reimbursement for Optometry Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates for optometry services to July 1, 2015. This amendment is based on the existing State Plan requirement to annually rebase pricing of physician codes.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.



### **Reimbursement for Speech Pathology Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates for speech pathology services to July 1, 2015. This amendment is based on the existing State Plan requirement to annually rebase pricing of physician codes.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

### **Reimbursement for Audiology Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates for audiology services to July 1, 2015. This amendment is based on the existing State Plan requirement to annually rebase pricing of physician codes.

### **Reimbursement for Chiropractic Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates for chiropractic services to July 1, 2015. This amendment is based on the existing State Plan requirement to annually rebase pricing of physician codes.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

### **Reimbursement for Eyeglasses Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates eyeglasses services to July 1, 2015. This amendment is based on the existing State Plan requirement to annually rebase pricing of physician codes.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

### **Reimbursement for Clinic Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates for clinic services to July 1, 2015. This amendment is based on the existing State Plan requirement to annually rebase pricing of physician codes.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

### **Reimbursement for Physical Therapy and Occupational Therapy**

The Department has transmitted a State Plan Amendment to update the effective date of rates for physical therapy and occupational therapy to July 1, 2015. This amendment is based on the existing State Plan requirement to annually rebase pricing of physician codes.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

### **Reimbursement for Rehabilitative Mental Health Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates for rehabilitative mental health services to July 1, 2015.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

### **Reimbursement for Licensed Practitioner Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates for licensed practitioner services to July 1, 2015.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

### **Reimbursement for Emergency Medical Services**

The Department has transmitted a State Plan Amendment to update the effective date of rates for transportation services to July 1, 2015.

This amendment will result in an annual increase of about \$10,719,500 to accommodate Medicaid recipients who need ground ambulance transportation for emergency medical services. This rate increase is funded by an assessment imposed on emergency medical service providers as directed by Senate Bill 172 from the 2015 Legislative General Session.

This amendment will not result in a cost shift to more expensive services for Medicaid recipients and their families.

### **Medicaid Eligibility Marriage Policy**

This amendment recognizes same-sex couples as spouses, if legally married, in regard to income determination and other post-eligibility issues for both Modified Adjusted Gross Income (MAGI) and non-MAGI groups.

The Department anticipates this update to be budget neutral. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

### **ASD Services Policy**

In July 2014, CMS provided an informational bulletin to Medicaid agencies throughout the nation. The bulletin informed state Medicaid agencies that they must begin providing autism spectrum disorder (ASD) related services to children under 21 through the general Medicaid benefit. This is a significant change from previous CMS guidance. The state intends to comply with this guidance by providing this service under the Early Periodic Screening, Diagnosis and Treatment (EPSDT) Program authorized in the State Plan.

Over the past few months, the Medicaid agency has been developing draft ASD services policy. During this time, the Department has sought the advice of experts in the field, and is currently in the process of accepting public comments about the draft policy. The Department intends to implement the ASD-related policy change with a July 1, 2015 effective date.

### **1915(b) Choice of Health Care Delivery Program & Hemophilia Disease Management Program**

#### **Amendment Submission - April 1, 2015**

During the 2015 General Session, funding was appropriated to allow for mandatory enrollment of Medicaid recipients in full risk capitated accountable care organizations in additional counties. Currently, mandatory enrollment is only allowed by CMS in Weber, Davis, Salt Lake and Utah counties. The purpose of this amendment is to allow the State to require Medicaid recipients to enroll in an accountable care organization in Cache, Box Elder, Rich, Morgan, Summit, Tooele, Wasatch, Iron and Washington counties effective July 1, 2015. ACOs currently on contract with the Division will provide services in the additional counties. Between two to four ACO options will be offered in each county.

## **Home and Community Based Services (HCBS) Waiver Renewals**

The Department submitted 5-year renewals of the following HCBS waivers: Waiver for Individuals Aged 65 or Older, Community Supports Waiver and the New Choices Waiver. The current waivers will expire on June 30, 2015. Following is a summary of changes from the current programs.

### **1. Waiver for Individuals Aged 65 or Older:**

- a. Completed a new section of the application that describes how the state will review all waiver services to determine compliance with the federal rules that went into effect in March 2014. The federal rule requires states to assure that all service settings have qualities that are homelike and that do not have institutional characteristics.
- b. Based on legislative appropriation, increased the number of unduplicated waiver slots from 460 clients per year to 520
- c. Revised some performance measures to ensure quality and further safeguard waiver participants.

### **2. Community Supports Waiver:**

- a. Completed a new section of the application that describes how the state will review all waiver services to determine compliance with the federal rules that went into effect in March 2014. The federal rule requires states to assure that the all service settings have qualities that are homelike and that do not have institutional characteristics.
- b. Based on legislative appropriation, increased the number of unduplicated waiver slots from 4600 clients per year to 4650
- c. Completed technical modifications to some service descriptions to provide additional clarity.
- d. Revised some performance measures to ensure quality and further safeguard waiver participants.

### **3. New Choices Waiver:**

- a. Completed a new section of the application that describes how the state will review all waiver services to determine compliance with the federal rules that went into effect in March 2014. The federal rule requires states to assure that the all service settings have qualities that are homelike and that do not have institutional characteristics.
- b. Increased the number of unduplicated waiver slots from 1700 clients per year to 2000
- c. Increased the length of stay requirements for assisted living applicants; this change will require those applying to move directly from an assisted living facility into the waiver from 180 days to 365 days.

- d. Modified the entrance policy in the waiver to reserve 80 percent of waiver capacity for those transitioning out of nursing facilities.
- e. Completed technical modifications to some service descriptions to provide additional clarity.
- f. Revised some performance measures to ensure quality and further safeguard waiver participants.

### **HCBS Waiver Amendments**

Based on legislative appropriation to support an increase in direct service worker wages, an amendment to the current Community Supports and Acquired Brain Injury Waivers will be submitted within the next week. An April 1, 2015 effective date will be requested for these amendments. An appropriation for increased participation in the Technology-Dependent Waiver will also require a waiver amendment to increase the number of slots. This waiver amendment will be submitted in June for a July 1, 2015 effective date.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Hales". The signature is fluid and cursive, with the first name "Michael" being more prominent than the last name "Hales".

Michael Hales  
Deputy Director, Department of Health  
Director, Medicaid and Health Financing