



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Utah Department of Health

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Division of Medicaid and Health Financing

Michael Hales
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June 30, 2014

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:

Nursing Facility Services

The Department has transmitted a State Plan Amendment to update and clarify service limitations for residents in skilled nursing facilities who are both eligible and not eligible under the Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT).

This amendment does not affect annual appropriations for ongoing nursing facility services, and there is no cost shift to more expensive services for Medicaid recipients and their families.

Quality Improvement Incentive

The Department has transmitted a State Plan Amendment to extend the Quality Incentive (QI) program for nursing care facilities. To improve resident care, the incentive program has added a new subprogram called "patient dignity" for State Fiscal Year 2015. Features of the new subprogram include backup power for the clinical information systems, a bladder scanner and a bariatric scale with a higher weight capacity.

The Department does not expect an increase in total annual expenditures as costs for the QI program are within appropriations set forth by the Legislature for State Fiscal Year 2015.

There is no cost to Medicaid recipients and facilities that qualify for the incentive will increase their revenue and improve nursing facility services for recipients and their families.



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, 2014. 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 Physician and Anesthesia Services

The Department has transmitted a State Plan Amendment to update the effective date of rates for physician and anesthesia services to July 1, 2014. 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, 2014. 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, 2014. 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, 2014. 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, 2014. 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 for eyeglasses services to July 1, 2014. 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, 2014. 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, 2014. 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, 2014.

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, 2014.

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 Transportation Services

The Department has transmitted a State Plan Amendment to update the effective date of rates for transportation services to July 1, 2014.

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.

Eyeglasses Services

The Department has transmitted a State Plan Amendment to clarify coverage and limitations on eyeglasses services for eligible Medicaid recipients.

The Department anticipates this clarification 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.

Audiology Services

The Department has transmitted a State Plan Amendment to clarify coverage and limitations on audiology services for eligible Medicaid recipients.

The Department anticipates this clarification 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.

Speech Pathology Services

The Department has transmitted a State Plan Amendment to clarify coverage and limitations on speech pathology services for eligible Medicaid recipients.

The Department anticipates this clarification 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.

Chiropractic Services

The Department has transmitted a State Plan Amendment to clarify coverage and limitations on chiropractic services for eligible Medicaid recipients.

The Department anticipates this clarification 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.

Optometry Services

The Department has transmitted a State Plan Amendment to clarify coverage and limitations on optometry services for eligible Medicaid recipients.

The Department anticipates this clarification 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.

Denture Services

The Department has transmitted a State Plan Amendment to clarify coverage and limitations on denture services for eligible Medicaid recipients.

The Department anticipates this clarification 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.

Outpatient Hospital Supplemental Payments

The Department has transmitted a State Plan Amendment to update the utilization trend used for the outpatient hospital Upper Payment Limit (UPL).

The Department does not expect any increase or decrease in annual costs to result from this amendment. This amendment does not affect annual appropriations and there is no cost shift to more expensive services for Medicaid recipients and their families.

Primary Care Physician Enhancement Payments

In accordance with CMS-2370-F, the Department has transmitted a State Plan Amendment to amend the existing Medicaid fee schedule increase for certain primary care services furnished by qualifying physicians in calendar years (CYs) 2013 and 2014 up to rates equal to CYs 2013 and 2014 Medicare rates or the rates that would be derived using the CY 2009 conversion factor. The amendment adds to new procedures codes to the list of enhanced funding services.

The Department estimates a total annual cost of about \$22,000 as a result of this amendment. This amount is covered with 100 percent federal funding. This amendment will increase access to primary care for Medicaid recipients and their families without a cost shift to more expensive services.

Long-Term Care Insurance Partnership

The Department has transmitted a State Plan Amendment to implement Senate Bill (S.B. 14) Long-Term Care Partnership, passed during the 2014 General Session of the Legislature.

This amendment allows a beneficiary under a long-term care insurance policy to receive a resource disregard equal to insurance benefit payments made to or on behalf of the individual. It also requires training for sellers of partnership policies, and clarifies the responsibility of the Department of Health and the Insurance Department to oversee training and reporting requirements.

This amendment does not affect total annual expenditures for the Medicaid program and there is no cost shift to more expensive services for Medicaid recipients and their families.

Primary Care Network 1115 Demonstration Waiver Extension

On December 24, 2014, CMS granted the State an extension of its Primary Care Network 1115 Demonstration waiver until December 31, 2014. This waiver authorizes the Primary Care Network (PCN) and UPP (premium assistance) programs. The extension was granted to provide the State additional time to make decisions regarding optional Medicaid expansion for adults.

A request was made by Governor Herbert to Secretary Burwell on June 18, 2014 to change the termination date of the extension to December 31, 2015. This will allow up to 20,000 adults to receive limited preventive care services, including some pharmacy and emergency services under the State's PCN program.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Hales", written in a cursive style.

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