



State of Utah

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Utah Department of Health

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

Dear Subcommittee Members:

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:

STATE PLAN AMENDMENTS

Covered Outpatient Drug Rule

The Department transmitted a State Plan Amendment to implement requirements for the coverage and reimbursement of covered outpatient drugs as mandated by the Covered Outpatient Drug Rule (CMS-2345-F). The requirements result in an increase in dispensing fees and an anticipated decrease in product cost. The amendment also updates references and dates and adjusts to program standards.

The Department anticipates this update will result in some increased costs and some decreased costs. The overall impact is estimated 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.

MAGI-Based Income Methodologies

The Department transmitted a State Plan Amendment to implement requirements for determining Medicaid eligibility. This amendment clarifies how the Department will treat spouses who separate, but file a joint tax return when the Department of Workforce Services (DWS) determines eligibility for the Medicaid Program.

The Department does not anticipate an impact to the budget, appropriations, or Medicaid recipients because



the amendment is only adding language in the state plan regarding a practice that is already in place regarding eligibility determination.

Separate MAGI-Based Income Methodologies for Children

The Department transmitted a State Plan Amendment to implement requirements for determining eligibility for the Children's Health Insurance Program (CHIP). This amendment clarifies how the Department will treat spouses who separate, but file a joint tax return when DWS determines CHIP eligibility.

The Department does not anticipate an impact to the budget, appropriations, or Medicaid recipients because the amendment is only adding language in the state plan regarding a practice that is already in place regarding eligibility determination.

Outpatient Hospital Supplemental Payments

The Department has transmitted a State Plan Amendment to update the utilization trend for outpatient hospital supplemental payments. This amendment updates the utilization trend to -1.1 percent for the outpatient hospital upper payment limit in State Fiscal Year (SFY) 2018.

The Department estimates total annual savings of about \$407,000 in SFY 2018 as a result of this amendment, and this change will neither affect annual appropriations nor create a cost shift to more expensive services for Medicaid recipients and their families.

Reimbursement for Home Health Services

The Department transmitted a State Plan Amendment to implement changes July 1, 2017. 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 transmitted a State Plan Amendment to update the effective date of rates for physician and anesthesia services to July 1, 2017. 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 transmitted a State Plan Amendment to update the effective date of rates for optometry services to July 1, 2017. 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 transmitted a State Plan Amendment to update the effective date of rates for speech pathology services to July 1, 2017. 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 transmitted a State Plan Amendment to update the effective date of rates for audiology services to July 1, 2017. 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 Chiropractic Services

The Department transmitted a State Plan Amendment to update the effective date of rates for chiropractic services to July 1, 2017. 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 transmitted a State Plan Amendment to update the effective date of rates eyeglasses services to July 1, 2017. 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 transmitted a State Plan Amendment to update the effective date of rates for clinic services to July 1, 2017. 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 transmitted a State Plan Amendment to update the effective date of rates for physical therapy and occupational therapy to July 1, 2017. 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 transmitted a State Plan Amendment to update the effective date of rates for rehabilitative mental health services to July 1, 2017. This amendment is based on the existing State Plan requirement to annually update the effective date of these 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 Dental Services and Dentures

The Department transmitted a State Plan Amendment to update the effective date of rates for dental services and dentures to July 1, 2017. 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 Transportation Services

The Department transmitted a State Plan Amendment to update the effective date of rates for transportation services to April 1, 2017. A recent public procurement for these services resulted in a new contract with higher capitation rates for the non-emergency medical transportation provider, and will apply to all Traditional Medicaid enrollees.

There is an increase of about \$2,172,600 in total annual expenditures as a result of the new capitated rate. Nevertheless, there will be no cost shift to more expensive services for Medicaid recipients and their families.

WAIVERS

The Department submitted an amendment to Utah's 1115 Primary Care Network Demonstration Waiver to allow the State to provide dental services for Medicaid adults with disabilities or with blindness. This amendment was requested as a result of Senate Bill 39 *Medicaid Coverage for Adult Dental Services*, which was passed during the 2016 General Session of the Utah State Legislature

Please let me know if you have any questions.

Sincerely,



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

