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## Table of Contents

**State/Territory Name:** Utah

**State Plan Amendment (SPA) #:** UT-15-0007

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1961 Stout Street, Room 08-148  
Denver, CO 80294



**Region VIII**

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June 23, 2015

W. David Patton, Ph.D.  
Utah Department of Health  
288 North 1460 West  
PO Box 143102  
Salt Lake City, UT 84114

RE: Utah #15-0007

Dear Dr. Patton:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 15-0007. This State Plan Amendment pertains to reimbursement for physician and anesthesia services.

Please be informed that this State Plan Amendment was approved today with an effective date of July 1, 2015. We are enclosing the CMS-179 and the amended plan page(s).

In order to track expenditures associated with this amendment, Utah should follow the CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM).

This amendment would affect expenditures reported on Line 5A – Physician and Surgical Services.

If you have any questions concerning this amendment, please contact Mandy Strom at (303) 844-7068.

Sincerely,

/s/

Trinia Hunt  
Acting Associate Regional Administrator  
Division for Medicaid and Children's Health Operations

CC: Michael Hales, Medicaid Director, UT  
Craig Devashrayee, UT

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:  
15-0007-UT

2. STATE:  
Utah

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE  
July 1, 2015

TO: REGIONAL ADMINISTRATOR  
HEALTHCARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT  
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 440.50 and 440.60

7. FEDERAL BUDGET IMPACT:  
a. SFY 2016    +\$2,835,400  
b. SFY 2017    +\$2,835,400

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Pages 4 and 5 of ATTACHMENT 4.19-B

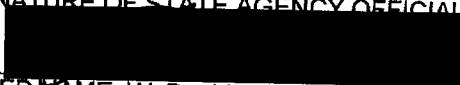
9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)  
Pages 4 and 5 of ATTACHMENT 4.19-B

10. SUBJECT OF AMENDMENT: Reimbursement for Physician and Anesthesia Services

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:



16. RETURN TO:

Craig Devashrayee, Manager  
Technical Writing Unit  
Utah Department of Health  
PO Box 143102  
Salt Lake City, UT 84114-3102

13. TYPED NAME: W. David Patton, Ph.D.

14. TITLE: Executive Director, Utah Department of Health

15. DATE SUBMITTED: June 1, 2015

16.

17. DATE RECEIVED  
6/1/2015

18. DATE APPROVED  
6/23/2015

FOR REGIONAL USE ONLY

19. EFFECTIVE DATE OF APPROVED MATERIAL  
7/1/2015

20. SIGNATURE OF REGIONAL OFFICIAL  
/s/

21. TYPED NAME  
Trinia Hunt

22. TITLE  
Acting ARA, DMCHO

23. REMARKS  
PLAN APPROVED - ONE COPY ATTACHED

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D. PHYSICIANS (Except Anesthesiologists)

1. INTRODUCTION

Payment will be based on the established fee schedule unless a lesser amount is billed. The amount billed cannot exceed usual and customary charges to private pay patients. Generally, a single fee is established for each procedure code regardless of provider specialty.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers.

All rates are published and maintained on the agency's website. Specifically, the fee schedule and any annual/periodic adjustments to the fee schedule are published at <http://health.utah.gov/medicaid/>.

2. FEE SCHEDULE BASED ON RELATIVE VALUES

The physician fee schedule is based on relative value units unless otherwise specified in this Section D.

The physician fee schedule is re-based July 1, 2015, using then current relative value units (RVUs). The agency's rates were set as of July 1, 2015, and are effective for services delivered on or after that date. The total RVUs for any procedure code will be based on the Medicare formula for that calendar year. A corresponding conversion factor will also be established such that total projected payments to physicians will not increase or decrease as a result of the annual rate update. The conversion factor may also include any changes established by the economic index discussed in Subsection 4.

3. ALTERNATIVE FEES

When an RVU value is either not available or not appropriate (e.g., access to care issues, maternity services), an alternative method will be used to establish the fee. In establishing alternative fees, reference will be made to the methodology included in the Medicare regulations covering "gap filling" for physician fees. In addition to professional judgments, consideration will be given to one or more of the following:

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T.N. # 15-0007

Approval Date 6/23/2015

Supersedes T.N. # 14-015

Effective Date 7-1-15

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E. ANESTHESIOLOGIST/ANESTHETIST

1. INTRODUCTION

Payment is based on the lower of billed usual and customary charges or a calculated fee.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's anesthesia conversion factor and anesthesia basic values were set as of July 1, 2015, and are effective for services delivered on or after that date. All rates are published and maintained on the agency's website. Specifically, the fee schedule and any annual/periodic adjustments to the fee schedule are published at <http://health.utah.gov/medicaid/>.

2. CALCULATED FEE

Payment = (Basic Value + Time Values + Modifying Factors) x Conversion Factor.

Time Values are added to the basic value at the rate of one unit for each twelve minutes or fraction thereof.

Rural Areas: Anesthesiologists/Anesthetists providing services in rural areas of the state are paid a rate differential equal to 112 percent of the physician fee schedule. Rural areas are defined as areas of the State of Utah outside of Weber, Davis, Salt Lake and Utah counties.

Economic Index: The annual Medicaid budget requests include inflation factors for physicians based on the Producer Price Index published by the U.S. Department of Labor, Bureau of Labor Statistics, with consideration given to the inflation adjustments given in prior years relative to the Producer Price Index. The actual inflation index will be established by the Utah State Legislature.

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T.N. # 15-0007

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