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State/Territory Name: Utah

State Plan Amendment (SPA) #: UT-16-0012

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

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

1. TRANSMITTAL NUMBER:
16-0012-UT

2. STATE:
Utah

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

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

4. PROPOSED EFFECTIVE DATE
July 1, 2016

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 2017 \$0
b. SFY 2018 \$0

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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:

13. TYPED NAME: Joseph K. Miner, M.D.

14. TITLE: Executive Director, Utah Department of Health

15. DATE SUBMITTED: June 6, 2016

16. RETURN TO:

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

17. DATE RECEIVED:
June 6, 2016

18. DATE APPROVED:
June 17, 2016

FOR REGIONAL USE ONLY

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 1, 2016

20. SIGNATURE:

21. TYPED NAME:
Mary Marchioni

22. TITLE:
Acting ARA, DMCHO

PLAN APPROVED - ONE COPY ATTACHED

23. REMARKS:

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



Region VIII

June 17, 2016

Joseph K. Miner, M.D., MSPH, Executive Director
Utah Department of Health
P.O. Box 141000
Salt Lake City, UT 84114-1000

RE: Utah #16-0012

Dear Dr. Miner:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 16-0012. This State Plan Amendment updates the effective date of rates for physician and anesthesia services to July 1, 2016.

Please be informed that this State Plan Amendment was approved today with an effective date of July 1, 2016. We are enclosing the CMS-179 and the amended plan page(s).

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

Sincerely,



Mary Marchioni
Acting Associate Regional Administrator,
Division for Medicaid & Children's Health Operations

cc: Nathan Checketts, Acting Medicaid Director, UT
Craig Devashrayec, UT

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 <https://medicaid.utah.gov/>.

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 agency's rates were set as of July 1, 2016, and are effective for services 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:

T.N. # 16-0012

Approval Date 6/17/2016

Supersedes T.N. # 15-0023

Effective Date 7-1-16

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, 2016, 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 <https://medicaid.utah.gov/>.

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.

T.N. # 16-0012

Approval Date 6/17/2016

Supersedes T.N. # 15-0007

Effective Date 7-1-16